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# Baker Offers Libya a Role As Observer In Peace Talks

## *Secretary Winds Up Efforts to Win Backing Of North Africa Arabs*

*Compiled by Our Staff From Dispatches*

ALGIERS — Secretary of State James A. Baker 3d suggested Monday that Libya would be welcome as an observer at the Middle East peace conference planned for October.

Mr. Baker completed his 23-day trip abroad with a stopover in Algeria, where he sought to enlist the aid of the Arab nations of North Africa for the peace effort.

An observer role for Libya is acceptable to the United States and would be "consistent with Israel's policy" as well, Mr. Baker said.

Mr. Baker's remarks came as President Hosni Mubarak returned to Egypt after a surprise overnight visit to Tripoli for talks with Colonel Moammar Gadhafi, the Libyan leader, the Egyptian press agency MENA said.

Mr. Mubarak and Colonel Gadhafi discussed U.S.-led efforts to convene a peace conference and bilateral relations, it said.

Diplomats said the visit appeared to be intended to persuade Colonel Gadhafi to take a positive stance on the U.S.-led peace drive and to intercede with the Palestine Liberation Organization leader, Yasser Arafat.

Mr. Baker sought support from the Algerian president, Chadli Bendjedid, who met Sunday with Mr. Arafat. Colonel Bendjedid and Mr. Arafat discussed holding a meeting in Algiers of the Palestinian parliament-in-exile, according to Palestinians. The secretary of state also sought backing over the weekend in Morocco and Tunisia.

Libya remains on the State Department list of nations that sponsor terrorism, and the United States since 1986 has maintained an economic embargo on that nation.

If Palestinian Arabs sign on — they may have little choice — the peace conference will be convened, perhaps in Geneva.

As Mr. Baker met in Tunis on Sunday with the Tunisian president, Zine Abidine ben Ali, a senior adviser to Mr. Arafat said that "there is no obstacle which will be big enough to prevent the Palestinians from attending."

Bassam Abu Sharif, Mr. Arafat's political adviser, had raised hopes of a change in the PLO position on Sunday when he told reporters with Mr. Baker that he expected a deal on Palestinian representation could be worked out. But an official PLO spokesman said Monday that Mr. Abu Sharif's remarks reflected his personal views, not those of the PLO.

Mr. Arafat himself took a tougher stance. The PLO leader told Algerian radio that "the Palestinian revolution will continue, wave after wave, until the Palestinian flag waves above the

See MIDEAST, Page 6

# *Angry Cruise Survivors Say Crew Fled*

## All Passengers Reported Safe

*Compiled by Our Staff From Dispatches*

EAST LONDON, South Africa — Angry survivors from the Greek liner Oceanos accused the captain and the crew Monday of having abandoned passengers, including old and infirm people, as the ship was sinking Sunday in a gale off South Africa.

The ship's owner in Greece denied the accusations. The company confirmed that some crew members were the first to board lifeboats, but said they were needed to help the passengers and to assist them get aboard rescue vessels.

The South African Air Force said all of the more than 570 passengers and crewmen were confirmed safe.

Although the shocked survivors were unstinting in their praise of those who had saved them, many criticized the behavior of the captain and crew members as the ship was going down.

Unrepentant at abandoning stricken ship, captain stirs storm of controversy. Page 2.

They said the Greek captain, Yiannis Avranas, left old and infirm passengers to their fate in mountainous seas with no lifeboats.

"It was disgusting," said Julian Russell, 29, a Briton who entertained cruise passengers as a magician. "The captain, safety officer and other senior crew got off as quickly as they could, so there was nobody to show us what to do during the rescue."

Passengers claimed that crew members took the ship's only two motorized lifeboats, leaving passengers to try to launch regular, motorless lifeboats.

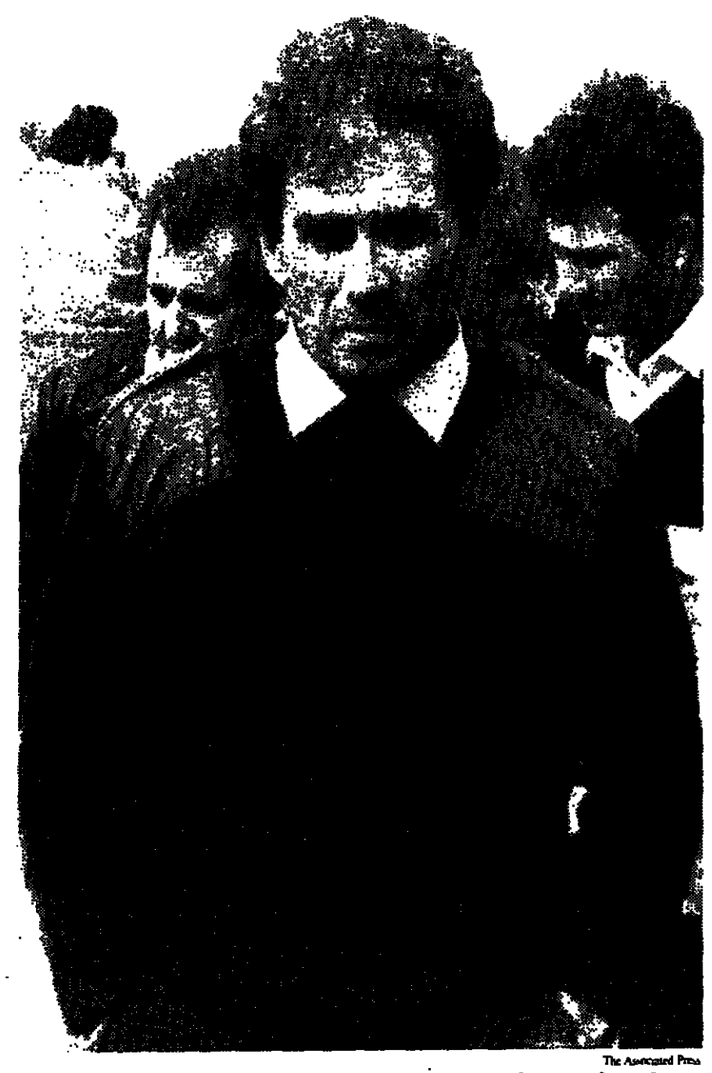
"They left us in the lurch," said a passenger, Kevin Ellis. "They knew that the ship was going to sink and didn't say a thing. All the crew who knew how to operate lifeboats had gone."

Stephanie Hankinson, a cruise photographer, said the crew's departure created havoc. "They left, and there was a total state of panic because nobody else knew how to let the lifeboats down," she said.

In Athens, the ship's owners defended the conduct of the crew.

Passengers and members of the cruise's

See SHIP, Page 2



The Associated Press

Captain Yiannis Avarnas of the Oceanos: 'I don't care what these people say.'

Mike Hutchings/Reuters

Survivors of the Oceanos wreck huddling together after they were rescued and taken to the coast of South Africa.

# France to Ask WEU To Weigh Sending Force to Yugoslavia

## *Dumas Seeks Emergency Talks as EC Calls a Crisis Session at The Hague*

*Compiled by Our Staff From Dispatches*

PARIS — Foreign Minister Roland Dumas of France has asked for an emergency meeting of the nine-member Western European Union to consider sending a military force to Yugoslavia, French Foreign Ministry sources said Monday.

Additionally, foreign ministers of the 12 European Community nations will hold an emergency meeting in The Hague on Tuesday to discuss what to do after the failure Sunday of its peace mission to Yugoslavia.

The meeting at The Hague was requested by Foreign Minister Hans-Dietrich Genscher of Germany, who has called for economic sanctions against Serbia, Yugoslavia's largest republic, which he held responsible for the collapse on Sunday of EC-mediated peace talks.

The French sources in Paris said Mr. Dumas had asked for a meeting of the WEU defense alliance "in the framework of the possible creation of a European interposition force" in Yugoslavia.

Mr. Dumas also planned to ask for a meeting of the UN Security Council to debate the Yugoslav crisis in the coming days, they added.

The sources said Mr. Dumas would inform his European Community colleagues of the French initiatives at the meeting Tuesday in The Hague.

France's idea is to have a force to separate the warring factions in Yugoslavia without becoming involved in fighting.

Mr. Dumas first mentioned the possibility of sending a European force to Yugoslavia on July 24. He held talks with Mr. Genscher and several other European foreign ministers by telephone on Monday, the sources said.

Mr. Dumas told them the situation in Yugoslavia was sufficiently grave to warrant action to prevent widening of the conflict, they added.

The WEU groups nine of the 12 European Community members. They are Germany, France, Britain, Belgium, the Netherlands, Luxembourg, Spain, Italy and Portugal.

The EC meeting in The Hague was announced a day after Foreign Minister Hans van den Broek of the Netherlands and two other EC foreign ministers abandoned a peace mission to Yugoslavia.

Mr. van den Broek said dejectedly on his return to the Netherlands that the Community had reached the limit of what it could do to prevent outright civil war in the Balkan federation.

The EC mission collapsed after the republic of Serbia boycotted a joint meeting of the EC ministers and the collective Yugoslav presidency to try to work out an EC-backed cease-fire in breakaway Croatia.

Mr. Genscher, in an interview with Deutschlandfunk radio, said the European Community should consider recognizing the independence of Croatia and Slovenia, the two Yugoslav republics that declared their independence on June 25.

"The Serbian government has clearly taken over responsibility for developments in Yugoslavia," Mr. Genscher said in the radio interview. "The Serbian leadership has not only blocked a cease-fire, it has also destroyed the basis for negotiations and for peacefully settling the future of Yugoslavia's people."

Scores of people have been killed in Croatia

Belgrade gunmen kill a leader of an anti-Communist paramilitary group. Page 2.

in recent weeks in battles between the republic's security forces and Serbian guerrillas backed by the Yugoslav federal army.

The French sources said Mr. Dumas would ask for a meeting of the UN Security Council under a clause in the UN charter that permits such meetings to be held when a country's security is threatened.

Mr. Genscher suggested on Monday that France and Britain, permanent security council members, should use their influence to get the Yugoslav issue placed on the UN agenda.

A spokesman for Chancellor Helmut Kohl accused Serbia of blocking European Community efforts to halt the fighting.

"If the Serbian leadership does not compromise, the EC will have to draw conclusions," the spokesman, Norbert Schaefer, said. "These could include economic sanctions."

Mr. Schaefer said Serbia was violating European conventions by seeking to redraw Yugoslavia's internal boundaries by force, taking control of Croatian territory inhabited by Serbs.

The parliamentary foreign policy spokesman for Mr. Kohl's conservative Christian Democrats, Karl Lamers, said Croatia should be recognized if the Yugoslav Army did not stop fighting there immediately and withdraw.

Mr. Lamers said in a statement this would open the way for the breakaway republics to seek foreign military protection against Serbia.

"The need for some kind of European blue-helmet mission is unfortunately becoming more urgent," he said, referring to ideas for a European peacekeeping force along the lines of the United Nations blue helmets. *(Reuters, AP)*

# *3d World Arms: U.S. Overtakes Soviets in Sales*

By Robert Pear
*New York Times Service*

WASHINGTON — United States arms sales to the Third World soared to a record last year, and Washington surpassed Moscow as the biggest vendor of weapons, mainly because of $14.5 billion worth of sales to Saudi Arabia, the Congressional Research Service said Monday.

American arms sales to the Third World totaled $18.5 billion in 1990, up from $7.8 billion in 1989, the report said. Soviet arms sales to the Third World declined for the third consecutive year, to $12.1 billion from $12.7 billion in 1989.

The United States accounted for 45 percent of all arms sales agreements signed with Third World countries last year, while the Soviets accounted for 29 percent, the report said.

The total value of arms transfer agreements concluded with Third World countries by all suppliers last year was $41.3 billion, the highest for any year since 1987, said the study, written by Richard F. Grimmett, an expert on national security issues at the research service.

The report observes that the value of U.S. arms agreements with Saudi Arabia, at $14.5 billion, exceeded the total value of Soviet arms sales to the entire Third World last year. Nearly half of the American arms agreements with Saudi Arabia last year were consummated before the Iraqi invasion of Kuwait, the report says.

In a series of proposals since the Gulf war, President George Bush has publicly called for

See ARMS, Page 6

# As Tokyo Scandals Spread, Kaifu Ratings Top Charts

## *Prime Minister's 'Mr. Clean' Image Is Paying Off*

By T. R. Reid
*Washington Post Service*

TOKYO — The sound of scandal that has rocked corporate Japan this summer is turning into sweet political music for one man: Prime Minister Toshiki Kaifu.

In his role as head of government, of course, Mr. Kaifu has deplored the stock-market and banking scandals that have stunned the country with almost daily revelations for the last month. He spoke in strong terms Monday as he opened a two-month special session of the national Diet, or parliament, saying the stock scandals "violate our ideal of a fair society" and pledging to submit tough new legislation.

But in his role as a politician fighting hard for a second term in the top job, Mr. Kaifu has clearly benefited from national disgust with the corporate corruption.

"In a time of scandal, what the political world needs most is a clean image," explained Shigezo Hayasaka, a respected and well-connected political consultant.

"Well, Kaifu has no smell of illicit sex about him," he added. "He has no smell of illicit money. And every other potential candidate has a lot of baggage from earlier scandals. So the odds are very strong that Kaifu will be re-elected."

Given the byzantine internal politics of Japan's dominant Liberal Democratic Party, this development is nothing short of amazing.

There are more than half a dozen political parties in Japan, but the Liberal Democrats have controlled the government in every election for the last 36 years. As is common in such situations, the ruling party is riddled with factions. Faction leaders battle every two years to choose a party president, who also acquires the job of prime minister.

The party's power brokers turned to Mr. Kaifu in desperation in 1989, after every other potential prime minister had been tainted by scandal. An obscure back-bencher from the smallest faction, Mr. Kaifu was marked from the start as a fill-in, clearly chosen to keep the prime minister's seat warm until a more serious candidate came along.

But with his term due to expire in October, Mr. Kaifu now seems a strong candidate for *zokuto* — a political term borrowed from Japanese baseball, where it means "keeping the pitcher in the game another inning."

The striking turn of events in Mr. Kaifu's favor is illustrated by the agenda items facing the Diet as this summer's special session opens.

At the top of the list is an investigation and legislation dealing with this summer's stock-market scandal, in which virtually all of Japan's biggest brokerage houses have admitted that they secretly reimbursed a select group of big clients for trading losses — while hundreds of thousands of average investors had to bear their losses without recompense.

At the moment, it looks as if the heat of Diet debate will be focused on Japan's finance minister, Ryutaro Hashimoto, who has conceded that his agency did an inadequate job of regulating the brokerage firms. Mr. Hashimoto's staff has also been implicated in a bank fraud scandal this summer.

Although he is nominally a member of Mr.

See KAIFU, Page 6

# *For Cyclists, an Injection of Controversy*

By Samuel Abt
*International Herald Tribune*

PARIS — The shadow of the syringe has fallen across professional bicycle racing.

The top-ranked team in the sport admits that it gave regular injections, legal but unpublicized, to its riders in the Tour de France. The rare announcement was designed to explain the team's withdrawal but raised new questions.

According to the PDM team, its doctor injected all nine riders with liquid food before they were forced to quit the Tour with body pains and high fevers. The injections were never made public as a possible cause of the withdrawals or as part of the team's routine medical treatment.

The organizers of the Tour have accepted findings that the liquid food was probably contaminated. The team, based in the Netherlands, quit the three-week race near its halfway point, on July 15 and 16.

A viral infection was first suspected, but PDM's management insisted that food poisoning was the problem. Now, in a team study made public during the weekend, strong suspicion has fallen on injections of Intralipid, an over-the-counter food supplement containing lecithin, a derivative of egg yolk, and soybean oil.

The use of hypodermic needles summoned up dramatic connotations in the popular mind, officials and observers of the sport admitted ruefully on Monday. "If it comes out of a syringe, the public thinks it probably has to be dope," said David Walsh, an Irish journalist and the biographer of two of his country's leading bicycle riders.

"You're not dealing with a doping scandal here," insisted a PDM rider who spoke only on condition of anonymity. "What happened was defensible.

"But something went wrong somewhere."

He and others were quick to deny that there was anything sinister in the common, if unpublicized, practice of injections. "Whatever it looks like," Walsh said, "many teams prefer injections to pills or syrup because injections work faster."

That was supported by the coach of a professional team, who also insisted on anonymity. "Too many pills upset the stomach."

See PDM, Page 15

## Kiosk

### Congress to Look Into Hostage Issue

WASHINGTON (AP) — Democratic leaders of Congress announced a formal investigation on Monday into charges that the 1980 Reagan-Bush campaign schemed with Iranians to hold American hostages until after the presidential election.

The House speaker, Thomas S. Foley, Democrat of Washington, and the Senate majority leader, George J. Mitchell, Democrat of Maine, said the investigation would be carried out by the House Foreign Affairs and Senate Foreign Relations committees.

**General News**

**Soichiro Honda**, 84, who created one of the world's biggest auto firms, is dead. Page 6.

**Sports**

**Paul Brown**, founder of two pro football teams, dies. Page 14.

*Crossword* Page 11.

| Dow Close | |
|---|---|
| 2,989.04 | |
| Down | |
| 17.22 | |

| The Dollar In New York. | |
|---|---|
| DM | 1.7175 |
| Pound | 1.7108 |
| Yen | 136.65 |
| FF | 5.8435 |

# *In Havana, a Pizza That Only Marx Could Learn to Love*

By Lee Hockstader
*Washington Post Service*

HAVANA — It is possible — indeed, the government of Cuba would prefer it — for a visitor to the island to never spend a cent in the national currency. There are special shops, restaurants, hotels, nightclubs, even taxis, that accept only dollars, which the island badly needs to keep its foundering economy afloat.

But a visitor might well make a point of eating at one of the jam-packed pizzerias that can be found all over the city, which are patronized primarily by locals and accept only pesos.

The pizza is not much to rave about — they scrimp on the tomato sauce, and the dough is mushy. But the experience is an insight into the frustrations that Cubans put up with in their daily lives.

The other night at Buona Sera, a typical pizza parlor near the University of Havana, the place was standing-room-only at 7:30 P.M., with a line spilling out onto the sidewalk. The crowd was young and old, black and white and brown, with nuzzling teenage couples and solitary pensioners elbow-to-elbow.

Like every other pizzeria in Havana, Buona Sera is strictly no-frills. The old walls and pillars are painted a drab yellow and brown, and the surfaces and windows are streaked and stained.

The menu is similarly Spartan. There are individual-size cheese pizzas. There is spaghetti with a thin tomato sauce and cheese. To drink, there is tap water. That is it — no toppings, no soda, no beer, no coffee, no salt, no pepper.

The price for each entree is geared to the masses: 1.20 pesos, or about 8 cents at the black-market exchange rate.

Given the selection, ordering might be a simple affair, if the waiter were disposed to take an order. He is busy with a young woman at the cash register. When he finally can be flagged down, the response to the request for two small pies is noncommittal.

"That'll take a while," he says — truthfully, it turns out.

A couple of old ceiling fans stir the heavy evening air, and salsa music blares from the single speaker mounted on the wall. But neither the ventilation nor the music does much to lift the oppressive atmosphere of the place.

Very few people are eating. Most are waiting, and looking bored.

Fingers are drumming, flies are buzzing, the clock is ticking. The waiter wears a watch around his belt loop, but he hardly needs it; time is evidently not his chief concern. After a while, tempers begin to fray.

Two pizzas are produced for a pair of teenage girls at the takeout counter. But down the counter an older woman with her hair wrapped in a kerchief erupts in anger, slapping her hand on the linoleum surface and beseeching the employees at the register.

"I was here first!" she protests, as the waiter and others look on impassively. "I ordered first! All these people down here ordered first! We've all been here more than an hour!"

She is ignored.

Five minutes later more pizzas are produced, these for a woman waiting with a plastic bag. She begins to fold the pizzas in half for packing but notices that two are badly burned. Now it is her turn to complain, and she does so loudly and at length. All watch, their faces blank.

The scene is doubly frustrating because of what has occurred just before. Just two hours earlier, at Havana's brand-new stadium, the opening ceremony of the 11th Pan American Games went off without a hitch, a made-for-television extravaganza of

See SLICE, Page 6

# Unrepentant Ship's Captain Faces a Gathering Critical Storm

By Josh Kurtz
*New York Times Service*

NEW YORK — Like Lord Jim, Joseph Conrad's wandering seaman whose honor is questioned for abandoning a sinking ship, the captain of the Oceanos is the focus of the world's attention for what he may or may not have done during the liner's distress.

Although accounts differ as to when the captain, Yiannis Avranas, abandoned ship, several passengers have criticized him and the crew for jumping into lifeboats or being lifted into helicopters before everyone on board had been rescued.

According to the lore of the sea, ship captains are expected to go down with the ship — or at least stay with the ship until the last minute.

But in interviews, Captain Avranas was unapologetic for leaving the Oceanos ahead of others, saying that he was better able to direct rescue efforts from shore.

That statement has generated substantial controversy.

"That's the most outrageous attitude I've heard in my life," said Frank Braynard, curator of the Merchant Marine Museum in Kings Point, New York, and an author of several books on shipping. "It's absolutely beyond comprehension that a man, even under those conditions, would say something like that."

Mr. Braynard said the captain should have his license taken away and face criminal prosecution for "betraying the responsibilities of a ship's master that date from the earliest days of navigation."

"I hope an example is made of him," he said.

But Richard Ashworth, a lawyer with Haight, Gardner, Poor & Havens, a New York firm specializing in maritime law, said the captain probably believed he was doing the right thing.

"The tradition of the sea is that the captain goes down with his ship, but I don't know that that's the insurance," Mr. Ashworth said. "It would surprise me if he left because he felt he was in danger."

What disciplinary action, if any, is taken against Captain Avranas will depend on the countries that have issued licenses to him and his vessel, Mr. Ashworth said.

The same is also likely to apply for potential lawsuits against the captain and the operators of the Oceanos, Epirotiki Lines of Greece.

There is no international law governing disciplinary actions against shipping companies and their crews.

Even if Captain Avranas is not punished for his actions, he may find himself ostracized in the tradition-bound world of international shipping, experts said.

In 1965, the cruise ship Yarmouth Castle caught fire in the Caribbean and began to sink. A nearby liner, the Bermuda Star, sent lifeboats to help. When the sinking ship's captain was among the first people rescued to climb aboard the Bermuda Star, its captain was so incensed that he forced his colleague to return to the burning wreck until all passengers were accounted for.

"That's a classic example of what masters think of a master that does this," Mr. Braynard said.

Most operators of luxury liners tell ship captains "to insure the safety of everyone else before their own," said Priscilla Hoye, a spokeswoman for Cunard Line Ltd., operator of the Queen Elizabeth 2 and other vessels. But she said that in the heat of an emergency captains are allowed flexibility, and companies have to rely on their judgment.

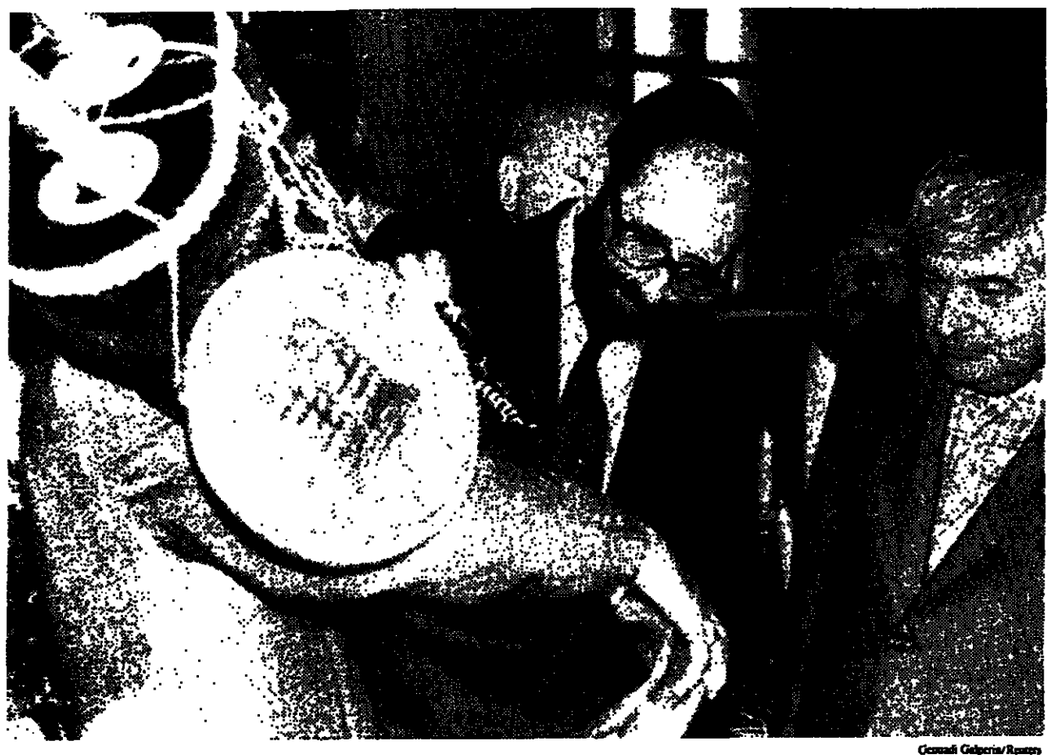
That was the contention that Captain Avranas made in interviews.

"When I order 'Abandon ship,' it doesn't matter what time I leave," he told ABC News. "'Abandon' is for everybody. If some people like to stay, they can stay."

What may have complicated rescue efforts on the Oceanos was the nature of the crew itself, said Mr. Ashworth, the maritime lawyer.

"These people aren't all seamen," he said. "They're restaurant people, they're entertainment people, and they're probably just as frightened as the passengers."

The captain and his crew could be vulnerable to lawsuits, Mr. Ashworth said, "if something went wrong because they weren't there."



Gennadi Galperin/Reuters

**MOSCOW SYNAGOGUE REGAINS ANNEX — The mayor of Moscow, Gavriil K. Popov, right, and Rabbi Adolf Shayevich examining the Torah on Monday in a two-story annex of the main synagogue in the Soviet capital. The City Council ordered the return of the annex to the synagogue, which has turned it into a school. It was taken during World War II for use as a hospital.**

# Yugoslav Gunmen Kill No. 2 Leader of Anti-Communists

By Chuck Sudetic
*New York Times Service*

BELGRADE — Gunmen have shot and killed the No. 2 man in a paramilitary group formed last month by the most formidable anti-Communist political party in the Serbian republic.

Two assailants with automatic weapons killed the paramilitary man, Branislav Matic, 40, near the door of his home here on Sunday night while his wife, children and neighbors looked on, according to his party, the Serbian Renewal Movement.

The paramilitary group's leader, Vuk Draskovic, accused Serbia's Communist-led government of complicity in the killing. He set a deadline of Oct. 9 for the government to arrest the assailants or face mass demonstrations.

"All indications point to the conclusion that the Serbian government is behind yesterday's killing of Branislav Matic," Mr. Draskovic said at a press conference on Monday, adding that his organization had heard rumors that gunmen might try to kill high-ranking members of the party's military organization, known as the Serbian Guard.

Serbia's internal affairs ministry called Mr. Draskovic's assertions "untrue, unfounded and extremely malintended" and a violation of the republic's law against calumny.

The statement says that the killing is under investigation and that the results of the ministry's inquiry will be made public when it is completed.

The killing, whether officially ordered or not, is indicative of the bitter disputes that exist between factions in the political life in Yugoslavia's largest and historically dominant republic.

Mr. Draskovic is not only a political enemy of Serbia's Communist president, Slobodan Milosevic, but also a foe of Vojislav Seselj, leader of the so-called Chetniks, a collection of anti-Communist ultra-nationalists who claim to be organizing guerrilla bands to reinforce Serb rebels fighting in neighboring Croatia.

Mr. Seselj, a member of the Serbian parliament, recently called on the republic's authorities to take immediate action against the Serbian Guard's organizers.

Serbia's parliament last month passed a law forbidding the organizing of armed forces in the republic outside the jurisdiction of the republican government or the Yugoslav National Army.

Serbia's former defense minister, Admiral Miodrag Jokic, said in an interview last week that Serbia's government did not consider the Serbian Guard a serious threat to its authority but that the republic's government would apply the new law against its organizers.

In an interview last week, Mr. Draskovic said the Serbian Guard, which he asserted has 5,000 members, is not a party army but an independent military organization bent on becoming the "most elite" unit in a future non-Communist Serbian army.

"Mr. Milosevic has a satanic plan to turn today's Communist Yugoslav National Army, which is falling apart, into a Communist Serbian army," Mr. Draskovic said. "If he succeeds, Serbia will be in darkness for still more years."

Mr. Draskovic asserted that Serbian police officials failed in an attempt Saturday to arrest the leader of the Serbian Guard, Djordje Bozovic, in a Belgrade hotel when Mr. Bozovic evaded capture by leaping from a second-story window.

"It's indisputable that insanity is ruling Serbia," Mr. Draskovic said Monday. "It is indisputable that war looks as if it is without end. The only card the present leadership in Serbia has to play is an endless war, a war with everyone and last but not least with their own people."

"We will not threaten to answer an Uzi with an Uzi," Mr. Draskovic said.

The Serbian Renewal Movement organized a peaceful anti-Government demonstration in Belgrade last March, which Serbian riot police attacked, touching off several days of civil unrest.

# Behind Croatia Strife, a Hard-Line Serb

By Blaine Harden
*Washington Post Service*

ZAGREB, Yugoslavia — When Slobodan Milosevic, the Serbian president, scuttled a European Community peace mission during the weekend, he won another inning of the political hardball that he has been playing since his rise to power four years ago.

The Serbian leader, who is the last Communist strongman still in power in Eastern Europe, backs the ethnic Serbs who are winning a guerrilla war in Croatia.

By stonewalling a European attempt to bring in foreigners to help monitor a cease-fire, Mr. Milosevic, in effect, was refusing to bring in outside referees for a game in which his side already has the military muscle to make the rules.

Serbian guerrillas, who appear to be cooperating with the Serbian-dominated federal army, have been decisively beating Croatian forces as they fight a village-by-village war for territory their leaders say must be taken from Croatia.

Maps drawn by the ethnic Serbs propose slicing off about 40 percent of the present territory of Croatia. The territory would become an autonomous region called Krajina that would be part of a "Greater Serbia."

Croatia, which declared itself independent from Yugoslavia on June 25, woke up only recently to the realization that its forces cannot stop the Serbs militarily.

The republic's president, Franjo Tudjman, acknowledged as much last week when he silenced hard-line Croatian nationalists who wanted to declare war on Serbia and the federal army.

Mr. Tudjman's government is now trying desperately to bring in foreign peace monitors — or preferably, an armed peacekeeping force — to protect territory that the republic's militia is losing.

Leaders of the European Community, the Yugoslav federal government and Croatia have insisted that there can be no changes in the borders. But Serbian leaders insist that new borders offer the only way to halt fighting that has killed more than 200 people. Most of the dead are Croats.

"Those borders do not really exist," Radovan Karadzic, the senior Serbian leader in Bosnia-Herzegovina and a close ally of Mr. Milosevic, said in an interview. "We should follow ethnic principles in establishing new borders."

Mr. Karadzic, whose thinking often reflects that of Mr. Milosevic, made it clear that he did not believe international diplomacy could or should play a role in solving the Yugoslav fighting.

Mr. Milosevic, 49, rose to power and continues to wield it not by explaining himself to the West, but by appealing to and manipulating nationalist sentiments of the 9.8 million Serbs.

Serbs emerged in 1980 from the 35-year reign of Marshal Tito with a collective sense that they — the people who constitute the very heart of Yugoslavia — had been treated like second-class citizens.

Tito carved two autonomous provinces, Kosovo and Vojvodina, out of Serbia and set up a federal government that Serbia did not dominate.

Mr. Milosevic, who until 1987 was a relatively faceless career Communist, emerged as champion of these frustrated Serbs when he began identifying their enemies. In this regard, his most telling single sentence is: "Nobody will beat you again."

He made that statement in Kosovo, a region Serbs regard as their sacred homeland. Under Tito, the ethnic Albanian majority that lives there was given a measure of self-rule. Many Serbs felt this was an injustice, and Mr. Milosevic seized on it as an opening. By late 1987, he became president.

By using the state-controlled Serbian press organization to vilify ethnic Albanians as an enemy of Serbian traditions, Mr. Milosevic received a political mandate to send Serbian police to Kosovo and dismantle the government. The province by 1990 had become a Serbian police-state.

Having cowed Kosovo and set himself up as a post-Tito Serbian hero, Mr. Milosevic won reelection last December.

After that vote, however, the Serbian economy began to unravel. It became clear to many Serbs that Mr. Milosevic's old-style economics were going nowhere.

In March, an opposition movement began to gather support and Mr. Milosevic, for the first time, appeared to be headed for the kind of political oblivion that has swallowed Communist leaders across Eastern Europe in 1989 and 1990.

But within a week the Serbian press organizations that Mr. Milosevic commands had turned its attention to another traditional Serbian enemy — Croatia. Serbian television began showing World War II film scenes of atrocities committed by the Croatian independent state, a puppet of Nazi Germany.

Newspapers and television in Serbia painted the Croatian government as a throwback to the wartime fascists, and painted the 600,000 ethnic Serbs in Croatia as potential victims of a new generation of genocidal Croats.

Serbian propaganda was bolstered by clumsy displays of nationalist ardor from the new Croatian leadership, which wrapped itself in traditional crests and symbols that reminded Serbs of the bloody past.

By the time Croatia declared its independence in June, the Serbian population was primed for conflict.

**NEWS ANALYSIS**

# SHIP: *Survivors Say the Crew Fled*

(Continued from Page 1)

entertainment staff said Captain Avranas had violated basic maritime law by deserting the ship while women and children were still on board.

Passengers said Mr. Russell and his fellow entertainers took charge, guiding them to the helicopter winches that pulled about 170 people off the badly listing liner. A musician, Moss Hills, 35, spent hours helping passengers into harnesses that pulled them, swaying wildly, up into helicopters.

"There were so many times we thought the ship was going over," Mr. Hills said. "We were hanging on for dear life."

He said the captain was the second person lifted off by helicopter. Other passengers said that of the 16 people on the first helicopter, 11 were ship's officers.

Captain Avranas defended his decision to leave the ship, which went down a mile and a half off the South African coast. "I don't care what these people say about me," he said. "I am separated from my family, who were rescued by one of the other ships, and I have lost my own ship. What more can they want?"

Although admitting to leaving "quite a few" people on board, he said he went to supervise operations from the shore.

"When I order 'Abandon ship,' it doesn't matter what time I leave," Captain Avranas said in an interview with ABC-TV. "'Abandon' is for everybody. If some people like to stay, they can stay."

Passing ships picked up about 400 survivors from lifeboats.

The ship's entertainers said they guided rescue vessels by radio after the captain left the bridge.

"We had to take over the ship," said a comedian, Terry Lester. "If it hadn't been for the entertainers, a lot of people would have drowned."

Mr. Russell and Mr. Hills said that after the lifeboats had left, they had to race against time to get the passengers off by helicopter. The airlift made it with 90 minutes to spare.

The last off was Robin Boltman, a comedian and magician who manned the radio on the bridge to coordinate rescue efforts.

A travel agent, Rosemary Moss, said Mr. Boltman and his colleagues had prevented passengers from panicking.

"I didn't realize until afterwards that the captain had abandoned us on a drifting ship with no lifeboats," she said.

Mr. Hills said he first realized the ship was in trouble Saturday night when crew members in lifejackets stormed up the gangway from the engine room.

"We didn't know what was going on," he said. "There were no announcements, no sirens, nothing."

The South African transport minister, Piet Welgemoed, has announced an inquiry into the sinking of the 7,554-ton ship.

The Oceanos began taking on water Saturday night. The police are investigating a telephoned bomb threat against the liner shortly before departure, but Captain Avranas said he believed a piston had broken out of the engine and put a hole in the hull.

A police major general, Johan Rust, said the police went to the ship to investigate the threat but were denied access by Captain Avranas. Mr. Rust said the ship security officers had said there was no evidence of a bomb. *(Reuters, AP)*

# U.S. Tells Anxious Soviets Their Dollars Are Secure

*Reuters*

MOSCOW — The U.S. ambassador to Moscow, Jack F. Matlock Jr., took to Soviet television on Monday in an extraordinary move to calm fears about the dollar that swept Moscow's hard-currency bolders.

Word of a new series of bank notes in the United States spread through the Soviet capital and caused black-marketeers, currency dealers and private citizens to believe their greenbacks were under attack.

But the U.S. ambassador assured the Soviets in a television appearance that the old American bank notes would retain their value.

The U.S. government announced last month that it would introduce security features in $50 and $100 bills this year to foil counterfeiters. But there are no plans to recall any bills already issued.

The Russian ruble is still not convertible to international currencies, which leaves the U.S. dollar as a favored payment for a privileged minority in unofficial, personal transactions.

Many Soviet citizens are still in shock from the Kremlin's decision last winter to recall all 50-ruble and 100-ruble bank notes in a one-for-one exchange aimed at curbing illegal private savings.

People lost heavily because the order gave them just three days to make the exchange. All savings beyond one month's salary had to be accounted for.

# Cheney Backs Military's Gay Ban, But Calls Civilian Workers Exempt

*Washington Post Service*

WASHINGTON — The policy that bans homosexuals from the armed services does not apply to civilian Pentagon employees, Defense Secretary Dick Cheney says.

Mr. Cheney defended the policy of banning homosexuals from uniformed military service. He stressed repeatedly that he had "inherited" the policy but said: "I don't think it's fundamentally wrong for us to make a distinction between civilian and military."

The ban, he said, is "based upon the proposition that gay life-style is incompatible with military service." Owing to "unique aspects" of military life, such as extended deployments abroad, he said in the interview Sunday, "you cannot make the kind of separation in the military between private and professional life that you can with respect to civilians."

## Nigeria to Renew Israel Ties

*Reuters*

JERUSALEM — Nigeria's minister of external affairs, Ike Nwachukwu, said here Monday that his country would soon renew diplomatic relations with Israel.

# WORLD BRIEFS

## Prague Urges Bonn to Act on Pact

BONN (AFP) — The Czechoslovak ambassador to Germany, Jiri Grusa, accused the Bonn government on Monday of holding up a bilateral treaty of cooperation out of excessive concern for Sudeten Germans. In a radio interview, Mr. Grusa called on the German negotiators to show "real political courage" and sign the treaty this autumn.

A Foreign Ministry spokesman denied that there was a delay in negotiations. But no date yet has been set for a new round of talks to follow the fourth round, which took place in June. Germans from the Sudeten region of Czechoslovakia, expelled after World War II, are demanding about $1 billion compensation.

"We find the delay increasingly difficult to understand," Mr. Grusa said. He asserted that conclusion of the treaty "would be welcome for the political climate of Central Europe."

## South Korea Applies to Enter UN

UNITED NATIONS, New York (NYT) — South Korea applied for separate membership in the United Nations on Monday in an action that diplomats, including those of rival North Korea, said was certain to succeed after nearly half a century of failures.

"This step definitely will improve the international standing of both Koreas and will help smooth and improve relations between the two Koreas," Ambassador Chang Hee Roe of South Korea said at a news conference shortly after meeting with Secretary-General Javier Pérez de Cuéllar to submit his country's formal application.

North Korea applied for separate membership May 29, ending its insistence that the North and South enter only as one country and only under the North's leadership. The Security Council is to meet Thursday to vote on the simultaneous entry.

## Manila Captures 2 Rebels in Hospital

MANILA (AP) — The commander of the Communist rebel army and his wife were captured Monday at a suburban Manila hospital where they had once undergone plastic surgery to disguise their identities, the police said.

The commander, Romulo Kintanar, and his wife, Gloria Jopson, were arrested after being under surveillance for nearly a week, according to Cesar Nazareno, chief of the national police.

Their capture followed the arrest last week of 10 other senior rebels and was expected to be a major blow to the insurgents, although their 22-year-old movement has survived the arrest of numerous other key figures. Mr. Nazareno said the recent arrests reduced the threat to President Corazon C. Aquino's government. The rebels operate in more than 60 of the country's 73 provinces and in the Manila area.

## Afghan Guerrillas Attack Major Base

PESHAWAR, Pakistan (Reuters) — Afghan guerrillas said Monday that they had killed dozens of government troops and destroyed four tanks in an attack on an important army post in eastern Afghanistan.

A spokesman for the Hezb-i-Islami Party said earlier on Monday that the guerrilla group had captured the Mashala Kamar base between Sarobi and the main eastern city of Jalalabad on Sunday.

But he later said he had received reports that some government troops were still holding out. He said Mashala Kamar was the headquarters for 30 posts guarding the main highway linking Jalalabad and the capital, Kabul. Pakistan-based guerrillas claim to have cut the Jalalabad highway for the last week and to be firing on the city's airport to make it difficult for Kabul to send in supplies by air.

## Record Year Seen for U.S. Homicides

WASHINGTON (AP) — The U.S. homicide toll will edge up to a record this year, even as some states see significantly fewer killings, a congressional report predicts.

The report by the Senate Judiciary Committee's Democratic staff, made public on Sunday, predicted that 23,700 Americans will lose their lives to violence before New Year's Day, an increase of 260 over last year's record.

But while 21 states are witnessing increases in homicides, 18 are showing declines, and 11 states plus the District of Columbia are staying virtually the same, changing by 1 percent or less.

# TRAVEL UPDATE

**Trains between Madrid and northern Spain** were delayed again Monday after a third threat from Basque separatists to bomb railroad lines throughout the country during the month of August. The state rail company RENFE said only a few delays had been caused when traffic was suspended along a 30-kilometer (18-mile) stretch near Avila to check for explosive devices. *(AP)*

**Thieves in southern France robbed** more than 30 passengers, most of them tourists, in attacks on two trains over the weekend, railroad officials in Nice said Monday. The attacks took place on the Cerbère-Ventimiglia and the Geneva-Nice express trains early Sunday. Fifteen passengers were robbed of luggage and valuables and a man was assaulted and robbed of $5,600. The robbers escaped after pulling the alarm. *(AFP)*

**Irate over an army of Eastern European tourists** pitching tents in the shadow of the Eiffel Tower, Mayor Jacques Chirac of Paris has asked the police to send them packing. Mr. Chirac asked that laws prohibiting camping outside designated campsites be enforced. Hundreds of East Europeans most of whom have little to spend on food and lodging, have camped out in the city's green spaces. The favorite illegal sites are the Champs de Mars, between the Eiffel Tower and the Ecole Militaire, and the Bois de Boulogne. The tourists are young and come mostly from Poland, Hungary, Czechoslovakia and the Soviet Union. *(AP)*

## The Weather

Forecast for Wednesday through Friday

**North America**
Wednesday into Friday will be mainly dry and warm in the Northeast. The humidity will remain low. Unusual warmth will spread eastward across the Canadian Prairies. Typical August heat and humidity will be the rule along the Gulf Coast.

**Europe**
Heat will continue the latter half of this week over Spain and Portugal. Central Europe will have typical summer warmth Wednesday into Friday with dry weather much of the time. Farther north, it will be seasonable with scattered showers.

**Asia**
Tokyo will have a few showery periods Wednesday through Friday. Much of the time will be warm and dry in Beijing and Seoul. Downpours will pelt parts of central China. Normal heat and scattered thunderstorms will persist in Southeast Asia.

**Europe**

| | Today High C/F | Today Low Wx C/F | Tomorrow High C/F | Tomorrow Low Wx C/F |
|---|---|---|---|---|
| Algarve | 27 /80 | 21 /70 s | 25 /83 | 21 /70 s |
| Amsterdam | 23 /73 | 17 /62 pc | 21 /70 | 18/64 c |
| Athens | 31 /88 | 20 /68 pc | 31 /88 | 20/68 s |
| Barcelona | 33 /91 | 20 /68 s | 32 /89 | 20/68 s |
| Belgrade | 27 /80 | 14 /57 pc | 28 /82 | 13/55 s |
| Berlin | 25 /70 | 14 /57 pc | 25 /77 | 17/62 t |
| Brussels | 25 /70 | 16 /61 pc | 24 /75 | 17/62 c |
| Budapest | 27 /80 | 14 /57 pc | 27 /80 | 14/57 pc |
| Copenhagen | 21 /70 | 12 /53 c | 21 /70 | 14/57 sh |
| Costa Del Sol | 33 /91 | 23 /73 s | 34 /93 | 23/73 s |
| Dublin | 19 /66 | 12 /53 c | 21 /70 | 11/52 c |
| Edinburgh | 18 /64 | 13 /55 c | 18 /64 | 11/52 sh |
| Florence | 31 /88 | 18 /64 s | 32 /89 | 18/64 s |
| Frankfurt | 27 /80 | 15 /59 pc | 26 /79 | 16/61 pc |
| Geneva | 28 /82 | 15 /59 s | 29 /84 | 18/61 s |
| Helsinki | 24 /75 | 13 /55 s | 22 /71 | 14/57 sh |
| Las Palmas | 31 /88 | 22 /71 pc | 32 /89 | 22/71 pc |
| Lehrigrad | 28 /79 | 13 /55 s | 27 /80 | 13/55 c |
| Lisbon | 34 /93 | 20 /68 s | 31 /88 | 21/70 s |
| London | 23 /73 | 15 /59 pc | 24 /75 | 14/57 pc |
| Madrid | 38 /100 | 22 /71 s | 37 /98 | 22/71 s |
| Milan | 29 /84 | 17 /62 s | 31 /88 | 18/64 s |
| Moscow | 27 /80 | 14 /57 s | 29 /84 | 16/61 pc |
| Munich | 25 /77 | 14 /57 c | 27 /80 | 18/64 s |
| Nice | 30 /86 | 19 /66 s | 31 /88 | 20/68 s |
| Oslo | 20 /68 | 13 /55 sh | 17 /62 | 15/59 sh |
| Paris | 28 /82 | 17 /62 pc | 26 /79 | 19/66 pc |
| Prague | 28 /82 | 16 /61 pc | 25 /77 | 15/59 pc |
| Reykjavik | 15 /59 | 8 /46 pc | 15 /59 | 8/46 s |
| Rome | 30 /86 | 19 /66 s | 31 /88 | 19/66 s |
| Stockholm | 26 /79 | 16 /61 pc | 23 /73 | 15/59 sh |
| Strasbourg | 27 /80 | 16 /61 pc | 26 /79 | 18/64 s |
| Venice | 29 /84 | 17 /62 s | 31 /88 | 18/64 s |
| Vienna | 26 /79 | 15 /59 pc | 28 /82 | 13/55 s |
| Warsaw | 27 /80 | 16 /61 pc | 25 /77 | 15/59 t |
| Zurich | 28 /79 | 14 /57 pc | 28 /82 | 17/62 s |

**Middle East**

| | | | | |
|---|---|---|---|---|
| Ankara | 34 /75 | 19 /55 pc | 25 /77 | 14/57 pc |
| Beirut | 32 /89 | 22 /71 pc | 32 /89 | 22/71 s |
| Cairo | 33 /91 | 18 /64 s | 33 /91 | 19/66 s |
| Damascus | 33 /91 | 18 /64 s | 33 /91 | 18/64 s |
| Istanbul | 24 /75 | 18 /61 t | 25 /77 | 17/62 pc |
| Jerusalem | 29 /84 | 17 /62 s | 30 /86 | 17/62 s |
| Riyadh | 44 /111 | 27 /80 s | 43 /109 | 27/80 s |

**Oceania**

| | | | | |
|---|---|---|---|---|
| Auckland | 16 /61 | 11 /52 r | 14 /57 | 11/52 r |
| Sydney | 21 /70 | 10 /50 pc | 21 /70 | 9/48 sh |

**Asia**

| | Today High C/F | Today Low Wx C/F | Tomorrow High C/F | Tomorrow Low Wx C/F |
|---|---|---|---|---|
| Bangkok | 30 /86 | 26 /78 t | 32 /89 | 26/79 pc |
| Beijing | 32 /89 | 23 /73 s | 27 /80 | 22/71 s |
| Hong Kong | 31 /88 | 26 /79 pc | 31 /88 | 22/71 t |
| Manila | 32 /89 | 26 /79 t | 32 /89 | 26/79 pc |
| New Delhi | 29 /84 | 22 /71 t | 39 /102 | 30/86 pc |
| Seoul | 29 /84 | 23 /73 pc | 27 /80 | 23/73 sh |
| Shanghai | 33 /91 | 23 /73 s | 32 /89 | 23/73 s |
| Singapore | 32 /89 | 26 /79 pc | 32 /89 | 26/79 pc |
| Taipei | 31 /88 | 22 /71 t | 31 /88 | 22/71 t |
| Tokyo | 29 /84 | 22 /71 t | 30 /86 | 22/71 t |

**Africa**

| | | | | |
|---|---|---|---|---|
| Algiers | 33 /91 | 20 /68 s | 33 /91 | 21/70 s |
| Cape Town | 16 /61 | 9 /48 pc | 16 /61 | 9/48 pc |
| Casablanca | 34 /93 | 20 /68 pc | 34 /93 | 20/68 pc |
| Harare | 27 /80 | 16 /61 pc | 26 /79 | 16/61 s |
| Lagos | 30 /86 | 25 /77 pc | 30 /86 | 24/75 pc |
| Nairobi | 22 /71 | 13 /55 pc | 22 /71 | 13/55 pc |
| Tunis | 31 /88 | 22 /71 s | 32 /89 | 21/70 s |

**Latin America**

| | | | | |
|---|---|---|---|---|
| Buenos Aires | 14 /57 | 2 /36 pc | 14 /57 | 0/32 s |
| Caracas | 31 /88 | 24 /75 pc | 31 /88 | 24/75 pc |
| Lima | 18 /64 | 13 /55 sh | 17 /62 | 13/55 sh |
| Mexico City | 24 /75 | 14 /57 t | 24 /75 | 13/55 pc |
| Rio de Janeiro | 23 /73 | 16 /61 pc | 23 /73 | 16/61 pc |

**North America**

| | | | | |
|---|---|---|---|---|
| Anchorage | 20 /68 | 9 /48 pc | 19 /66 | 8/46 pc |
| Atlanta | 33 /91 | 22 /71 t | 32 /89 | 22/71 t |
| Boston | 28 /79 | 17 /62 pc | 26 /79 | 17/62 s |
| Chicago | 23 /73 | 16 /61 pc | 28 /82 | 15/59 pc |
| Denver | 30 /86 | 15 /59 t | 31 /88 | 16/61 t |
| Detroit | 24 /75 | 15 /59 pc | 28 /82 | 16/61 t |
| Honolulu | 31 /88 | 24 /75 pc | 31 /88 | 23/73 pc |
| Houston | 34 /93 | 23 /73 t | 34 /93 | 24/75 t |
| Los Angeles | 26 /79 | 16 /61 pc | 28 /82 | 17/62 pc |
| Miami | 32 /90 | 26 /79 t | 32 /90 | 25/77 t |
| Minneapolis | 25 /77 | 16 /61 pc | 27 /80 | 18/64 pc |
| Montreal | 28 /73 | 12 /53 sh | 28 /73 | 12/53 s |
| Nassau | 31 /88 | 26 /79 pc | 31 /88 | 26/79 pc |
| New York | 28 /82 | 19 /66 s | 27 /80 | 19/66 s |
| Phoenix | 39 /102 | 28 /79 s | 39 /102 | 27/80 s |
| San Fran. | 21 /70 | 13 /55 pc | 20 /68 | 13/55 pc |
| Seattle | 24 /75 | 13 /55 pc | 24 /75 | 13/55 pc |
| Toronto | 23 /73 | 11 /52 pc | 25 /77 | 13/53 s |
| Washington | 29 /84 | 20 /68 pc | 28 /82 | 20/68 pc |

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.

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# A Labor of Love: Midwesterner Is Pregnant With Her Own Twin Grandchildren

By Gina Kolata
*New York Times Service*

NEW YORK — In a small Midwestern city, a 42-year-old woman, a school librarian, is pregnant with her own grandchildren.

The woman, Arlette Schweitzer of Aberdeen, South Dakota, is carrying twins produced from her daughter's eggs, fertilized in a laboratory dish with sperm from her daughter's husband. The embryos that resulted were implanted in Mrs. Schweitzer's womb. The babies are due in November.

Mrs. Schweitzer said she was bearing her 22-year-old daughter's babies as an act of love for her daughter, Christa Uchytil of Sioux City, Iowa, who was born without a uterus and cannot bear children.

Doctors and lawyers who specialize in reproductive technology say this would be the first time in the United States that a woman gave birth to her own grandchildren. The only other case they know of is that of a woman in South Africa who gave birth to her daughter's triplets in 1987.

The experts say the story of Mrs. Schweitzer and her daughter brings into sharp focus difficult questions about surrogate motherhood that have never been resolved. For one thing, the financial questions that trouble many ethicists are absent here.

Mrs. Schweitzer took no money from her daughter and says she is horrified at the thought of being paid to carry the babies. So the case makes clear that some ethicists, lawyers and researchers are troubled by the very idea of surrogacy, even when the only motive is love.

Experts say the sort of surrogacy Mrs. Schweitzer entered into, one in which she is only carrying the fetus, providing no eggs of her own, is becoming increasingly common.

John Robertson, a law professor at the University of Texas who follows cases of gestational surrogacy, said the most recent data, from a survey for 1989 by the American Fertility Society, indicated that there were 198 attempts that year to produce a child with this type of surrogacy and that there were 33 deliveries.

Last month, the San Francisco Giants pitcher Dave Righetti and his wife, Kandice, became the parents of triplets, their own biological children borne by Mrs. Righetti's sister.

Mr. Robertson said that gestational surrogacy was legal in all states and that it was unlikely that a gestational surrogate who wanted to keep the child would be allowed to do so.

The only case that has gone to court was one in California last year, involving a woman who was paid to be a surrogate and refused to relinquish the baby. The court awarded custody to the couple who paid her, the biological parents of the child, but the ruling has been appealed.

Dr. Joseph Schulman, director of the Genetics and IVS Institute in Fairfax, Virginia, said most couples seeking gestational surrogates did not have a relative who was willing to bear their children.

Reactions to Mrs. Schweitzer's decision to carry her own grandchildren include expressions of admiration and feelings that such acts, even though undertaken with the best motives, are a mistake.

For Dr. Jay Katz, a professor of law, medicine, and psychiatry at Yale University, Mrs. Schweitzer's surrogacy is "a very very bad idea" and could create problems for the child.

"Is the grandmother the grandmother or the mother?" he asked. "It may ultimately create too many tensions for the child and for the family."

Dr. Albert R. Jonsen, an ethicist at the University of Washington in Seattle, said his qualms about Mrs. Schweitzer's surrogacy derived from his feelings that surrogacy cuts to the heart of society's notions of who a person is and what constitutes a blood relationship.

"The question is, Are there kinds of altruism that may be so troubling to important social and cultural traditions that we'd rather not have that altruism take place?" he asked.

But Mrs. Schweitzer said she and her daughter had never questioned whether her surrogacy was the right thing to do.

"In our case, it goes beyond ethical questions," Mrs. Schweitzer said. She and her daughter have talked about the surrogacy for six years, coming up with the idea at a time when doctors very rarely offered the procedure, if at all, and have never wavered from their desire to do it.

Mrs. Uchytil said that her husband, Kevin, knew she had no uterus long before the two were engaged to be married. They were married two years ago and decided to try to have a child as soon as possible. "I thought, if it would work, it would make my dreams come true," Mrs. Uchytil said.

Mrs. Schweitzer and Mrs. Uchytil were directed to Dr. William Phipps, a reproductive endocrinologist at the University of Minnesota. He said he wanted to help and saw no medical or ethical problems.

The two were examined by a psychiatrist, to make sure there were no hidden motives or psychiatric difficulties that would argue against the procedure.

Then Phipps went ahead, giving Mrs. Schweitzer hormones to prepare her uterus to receive the embryos and giving Mrs. Uchytil hormones to prompt her ovaries to ripen as many eggs as possible.

Mrs. Schweitzer got pregnant in the first attempt at placing the embryos in her uterus, beating the one in three odds that the procedure would work right away.

The total cost was about $7,000, Dr. Phipps said, compared with the more than $10,000 that most clinics charge.

# Democratic Senator Tries to Resuscitate 'L-Word'

By Robin Toner
*New York Times Service*

MANCHESTER, New Hampshire — They have watched the Republicans turn the word "liberal" into an insult. They have been told, again and again, that their national party is out of touch, enfeebled, doomed to fail unless it changes. They are heading into a presidential campaign that is widely expected to be their fourth straight defeat.

It is not surprising that many of the Democratic faithful are ripe for Senator Tom Harkin, the rough-edged, true-believing Iowan testing the waters for a presidential campaign.

"We Democrats have nothing to be ashamed of!" he shouted on a recent golden New Hampshire afternoon, resurrecting memories of Roosevelt, Truman and Humphrey while his partisan audience cheered him on.

On issue after issue, Mr. Harkin, 51, declared, "We weren't wrong; we were right!"

Wiry and angry, punching the air with evangelical passion, Mr. Harkin offers his beleaguered party a potent mix of old-time Democratic religion, prairie populism and group therapy. There is no need to surrender to the Republicans, he says, no need to "walk a little bit more and talk a little bit more like Republicans."

Democrats need only believe in themselves again, he says, and get off their knees. Amid the cheers, however, are some private doubts among Democrats: This may be good psychology, but is it good politics?

A coal miner's son who boasts that he grew up on the wrong side of the tracks, Mr. Harkin sneers at much of the conventional wisdom in politics these days. While Democratic centrists fret about toughening the party's image on national security issues, Mr. Harkin says he has "absolutely" no regrets about his vote against the use of force in the Gulf.

While many of the party's thinkers search for a new economics, Mr. Harkin calls for Democratic fundamentals: a major new program to rebuild roads, bridges and other infrastructure. Asked how he would pay for it, he shoots back, "When Ronald Reagan came in and said he was going to increase defense spending, cut taxes and balance the budget, did you ask him how?"

In 1990, Mr. Harkin's voting record made him one of the 15 most liberal members of the Senate, according to the annual ranking by The National Journal, a Washington publication.

The Republicans cast him as one more "in a long line of very liberal Democrats who are out of the mainstream of American public opinion," in the words of Charles Black, a top adviser to the Republican National Committee.

"I describe him as George McGovern with hair," he added.

There is always an audience among party activists for the traditional organ music of the Democratic Party; Senator Paul Simon of Illinois, for example, placed second in the Iowa presidential caucuses in 1988 with a plea for "a government that cares."

Mr. Harkin, who combines his Democratic orthodoxy with a full-throated attack on the Republicans, has drawn a particularly strong response from organized labor.

"Win, lose or draw, he speaks our language," said Bill Holayter, director of the legislative and political action department for the machinists' union. "He's got a Hubert Humphrey-type message that speaks to people's needs and desires."

The party may be particularly open to his appeal in the summer of 1991; when so many Democrats seem to be shrinking from a challenge to President George Bush, Mr. Harkin gets points with party officials for simply being out on the stump.

"There is a premium to the guys who show the guts to get out there," said Phil Angelides, chairman of the California Democratic Party.

Mr. Harkin is still in the exploratory phase of a candidacy, but says he is "moving toward a positive decision" and will announce his intentions around Labor Day.

Other Democrats, notably the Democratic Leadership Council, a group of centrists and conservatives, assert that the party's repeated losses of presidential races indicate the need for fundamental change in its message and a new appeal to the middle class.

"He's right that we shouldn't be more like the Republicans, but if he thinks the public hasn't formed some distinctly bad impressions of the party's message in the last several elections, he's missing something," said Will Marshall, president of the Progressive Policy Institute, an offshoot of the leadership council, a group of centrist Democrats.

Paul Conklin/Camera Press
Tom Harkin: Firing up the Democrats.

"We would say it behooves the Democrats to offer something other than a recycling of the old politics in 1992 if you want to make a credible bid for the White House," Mr. Marshall added.

Jeff Widener/Reuters
A Vietnamese working on the MIA search displaying fragments of boots, ammunition clips and bones believed linked to the disappearance of some U.S. and Saigon troops during the Vietnam War.

# MIA Photos Fake, U.S. Says

*Compiled by Our Staff From Dispatches*

PHNOM PENH — U.S. government investigators have evidence that three of five related photographs, said to be of Americans missing in action from the Vietnam War, were faked with photos taken from Soviet magazines, officials said Monday.

The exact sources for the other two photographs, including one of three men recently given wide publicity in the United States, have not been located, but investigators say they believe handwriting similarities in the pictures show all five were fabricated by the same person, an official said.

"Everyone who saw the photos said the men were Russian, not American, but for the sake of the families in the United States, they had to prove it, and now they have," said one of the officials who worked with the American team.

Relatives of three missing men had identified them in one of the photographs as family members missing in action.

The photograph, made public last month by a private U.S. lobbying group, showed three men in a wooded setting holding a cryptic sign.

One of the photographs was lifted from a Soviet magazine showing a Soviet baker with his basket of bread. In the photograph, the basket of bread is covered by a placard with the date 1990, the official said.

The three-man investigation team, headed by Warren Gray of the U.S. Defense Intelligence Agency, left Phnom Penh on Monday after five days of investigation in Cambodia.

The Vietnamese government has also said the photograph was a fabrication.

NBC News reported Monday that other photos from the same source had been shown to be fakes. It said some were copied from Soviet magazines. It said the existence of other fake photos led the team to believe that the earlier photo of the three men was also phony.

In Vietnam, meanwhile, American and Vietnamese investigators are poring over old documents, questioning witnesses and sifting through bits of airplane wreckage, seeking to solve the puzzle of what happened to Americans missing in action from the war.

At least 2,273 men and women are listed as missing in Indochina, and most are considered dead although their remains have not been found. *(UPI,AP)*

# Party Sees an Opening but Not a Way Through It

By Gwen Ifill
*New York Times Service*

WASHINGTON — Congressional Democrats agree that President George Bush could be vulnerable on domestic policy matters. But they cannot agree on how to capitalize on that vulnerability or just how potent such an approach might be.

Leaders in the House and the Senate have spent recent weeks trying to muscle through bills on transportation, abortion rights, crime, civil rights and unemployment, all of which Mr. Bush has threatened to veto.

Democratic strategists and lawmakers say they are convinced that this is potentially strong campaign ammunition. The legislators have delivered dozens of floor speeches criticizing the president on racial issues, joblessness and even drought relief. They are trying to paint Mr. Bush as a president with a one-word answer to every domestic problem: no.

"The president has acknowledged his interest in foreign affairs, and his disinterest in domestic affairs is now obvious to all Americans," Senator George J. Mitchell of Maine, the majority leader, said.

"Up until now, the president has found a lot of emergencies, aid to the Kurds, aid to many different countries around the world," said Representative Richard A. Gephardt of Missouri, the House majority leader. "But he can't quite bring himself to see that there's an emergency here in the United States with people who are out of work, who've exhausted their unemployment benefits and are having trouble taking care of their families."

The coordinated congressional attack has clearly hit its mark. In a response during a news conference last week, the president said Americans should "not listen to the charges by frantic Democrats trying to say we don't have a domestic policy."

But Democrats remain divided about whether forcing vetoes that Congress cannot override is good political strategy for a sometimes disorganized caucus of lawmakers who have a wide variety of priorities and, as yet, no compelling presidential candidate to take on the president directly.

In short, the Democrats have figured out just how to call Mr. Bush's bluff, but they cannot agree on the message or the messenger.

"They have themselves over a barrel," Eddie Mahe, a Republican campaign consultant, said. "They cannot come to any consensus in any real way."

Mr. Mahe, like Republican partisans in Congress and in the Bush administration, is gleeful about the Democrats' problem. Late last week, Mr. Bush met with House Republicans to assure them that he is prepared to work with them to promote the Republican party's domestic agenda.

That agenda is most likely to repackage such issues as home ownership for the poor, education and preventive health care espoused by such Cabinet members as Louis W. Sullivan, the secretary of health and human services; Lamar Alexander, the secretary of education, and Jack F. Kemp, secretary of housing and urban development.

"There are ideas on the table that change the way government interacts," said Rich Bond, a Republican strategist with ties to the Bush White House. "What's wrong with that idea?"

Republicans are gearing up to dispute the Democrats' contention that Mr. Bush has no domestic policy.

"It's the only strategy they have," Senator Phil Gramm of Texas, the chairman of the National Republican Senatorial Committee, said of the Democrats. "In politics, you go to your strong suit, even if the highest card happens to be the seven of spades."

But for all their boasting that the White House has a domestic agenda, Republicans are aware of polls that show how vulnerable the president may be on domestic policy.

# Helms, Seeking Cranston's Censure, Divulges Ethics Report

By Richard L. Berke
*New York Times Service*

WASHINGTON — Expressing frustration over the Senate ethics committee's delays in completing its inquiry on five senators, a member of the panel has made public a special counsel's report that called for Senator Alan Cranston to be censured by the full Senate for "reprehensible" conduct.

The committee member, Jesse Helms, Republican of North Carolina, said he had released the confidential final report, which was delivered to panel members more than a month ago, in hopes of forcing the committee to act.

The committee issued its preliminary findings on the senators in February. But the document released Sunday carries far more detail about the senators' conduct in intervening with federal regulators to help a major contributor, Charles H. Keating Jr., who owned the troubled Lincoln Savings and Loan Association in Irvine, California. And for the first time, the report lays out guidelines for lawmakers in doing favors for political supporters.

Mr. Helms said a major reason the committee had not closed the books on the Keating inquiry, which began in December 1989, was that panel members were at odds over whether the report should be released at all. Officials close to the committee have said there was sentiment that the language describing the senators' conduct was too strong.

It is highly unusual for a lawmaker to independently release a confidential congressional report independently, particularly when the report comes from the ethics committee. It is even more rare that a legislator would acknowledge releasing such a report.

A spokesman for Mr. Cranston, Murray S. Flander, said Sunday that the release of the report was a "regrettable leak" and "proof that Senator Helms is extremely prejudiced."

In a letter to the committee's chairman and vice chairman that he released with the report, Mr. Helms said: "I am absolutely persuaded that after all the time and resources the ethics committee has devoted to the Keating case, we owe the public a full accounting of what happened, and why we decided the way we did — not merely as to Senator Cranston but as to all five senators."

The Keating inquiry has cost the government more than $2 million in legal expenses.

After a 14-month inquiry, the committee concluded in February that four senators — Donald W. Riegle Jr. of Michigan, John Glenn of Ohio and Dennis DeConcini of Arizona, all Democrats, as well as John S. McCain 3d of Arizona, a Republican — exercised questionable judgment in intervening with federal regulators on behalf of Mr. Keating's failing savings and loan association.

According to the committee, Mr. Cranston's actions appeared to be more serious. It made clear that the next step would be to send his case to the full Senate, which would mete out punishment. But in recent weeks, some panel members in their private deliberations have been backing down from urging the Senate to punish Mr. Cranston. Officials close to the committee said the panel's three Democrats and three Republicans are divided along partisan lines.

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# Focus on Washington

At best, the BCCI case is a classic example of ineptitude on the part of several U.S. government departments and agencies. Whether it is worse than that is now the chief business before three congressional investigations. The Bank of Credit & Commerce International is accused of a catalogue of crimes that are astonishing in their variety and gravity, but there is a far more disquieting issue facing the investigators: whether BCCI was being actively shielded and helped from within the United States government itself.

The CIA memo is the latest piece of troubling evidence to float into sight. In 1988 the Customs Service, pursuing drug smugglers, was getting interested in BCCI. The then commissioner of customs, William von Raab, called Robert Gates of the CIA to ask what he knew about it. Mr. Gates replied by sending over a CIA memo on the bank. Shortly after, the Treasury told Mr. von Raab to stay out of the case and leave it to others. It is true that Mr. von Raab is a zealous and vociferous conservative who was a thorn in Treasury's side. But, since nothing much happened thereafter, the story leaves a question hanging in the air.

The CIA allowed Senator John Kerry to read the memo, and declassified enough of it to allow him to characterize it in an open hearing. The memo, according to the Massachusetts Democrat, was written in 1986 and makes clear that the agency was then well aware of the bank's involvement in criminal activities. The memo also said that the CIA had known since 1982 — that is, from the beginning — that BCCI had illegally and secretly bought control of First American Bankshares.

The memo had been disseminated to other federal agencies including, it seems, the Treasury. But it never got to the Federal Reserve Board, which regulates banks and had allowed a group of Arab investors to buy First American only after the most explicit assurances that BCCI would have nothing whatever to do with it. Those assurances were provided by the investors' lawyer, Clark Clifford, now chairman of First American. So far there is no explanation of this failure of one part of the government to tell another that a solemn pledge had been broken almost as soon as it was made.

Senator Kerry's hearing was generally devoted to the warnings about BCCI that began to emerge in the late 1980s. Justice vehemently defends itself against charges of excessive delay, asserting that it is hard at work on a series of criminal investigations of BCCI but that, in a case of great complexity, it is unreasonable to expect rapid results. Fair enough — but if the CIA was circulating a memo five years ago on BCCI's illegal activities, why was there so little response at that time among the officials who received it? Or weren't they reading their mail?

The focus of the investigations is no longer the renegade bank. The focus is, unfortunately, the integrity of the United States government.

*— THE WASHINGTON POST.*

# Erosion of Oversight

The U.S. Congress has dangerously weakened its own supervision of covert action. Secret efforts to subvert or supply foreign governments are best controlled when Congress is notified of such operations before they are carried out. Prior notice assures prior scrutiny not only by the House and Senate intelligence committees but also by busy executive branch officials.

But, bowing to White House pressure, House and Senate conferees have left a loophole in new rules they accepted last week. The rules allow the president in exceptional circumstances to notify Congress "within a few days" after the start of a covert operation. Past administrations have found insidious ways of making such exceptions the rule. That weakens the two pillars of representative government — executive accountability and congressional responsibility.

The new legislation usefully closes other loopholes. It requires that the president authorize all covert operations in advance and in writing, thereby barring him from issuing a "finding" retroactively. And the finding must identify all of the U.S. agencies and any third parties that take part. President Ronald Reagan used the dubious retroactive finding and unnamed third parties to sell arms to Iran and then divert the proceeds to the contras.

A House staff member lamely excused the exception on prior notice: "We agreed to disagree." The Constitution and the public would be better served if Congress disagreed.

*— THE NEW YORK TIMES.*

# Missing or Dead?

Brent Scowcroft, national security adviser, has responded to the stir prompted by the dubious recent MIA photos by saying he is convinced that no Americans missing from the Vietnam War are still alive. But not all the families of missing veterans are similarly convinced, and many other Americans either agree with them or are not sure what they think. For good reason there is a body of opinion in the country and in Congress that seeks more certainty that the United States has done everything it could to keep faith with men lost in Vietnam.

One avenue to both greater peace of mind and the resolution of specific cases wends through Hanoi. The fact is that the old-line Communist government in Vietnam simply has not established the credibility to support its repeated denials that it holds any American prisoners — holds them, presumably, against the reconstruction aid written into the broken U.S.-Vietnam peace agreement of 1973. Hanoi is being asked to prove a negative, of course — that it holds no MIAs. It can respond best by fully meeting American requests for search cooperation. Hanoi has lost its old Soviet bloc patrons even as doubts about its good faith on MIAs still deny it crucial economic connections in the West. This seems to be concentrating Vietnam's attention on this priority.

American policy has come under its own cloud. It is not just the matter of official diligence in pursuing specific MIA cases but the whole approach to extricating real or presumed hostages. For years there has been a running argument in Washington over whether it is better, for negotiating purposes, to put a high value on retrieval of hostages or to devalue them. The Scowcroft suggestion that there are no live MIAs does not necessarily mark a policy of official abandonment. Rather, it sends a signal that the United States is not going to pay in premature easing of the embargo, and that therefore it serves no purpose for Hanoi to withhold MIAs, or information on them, any longer.

Out of all the recent concern, the Senate has just set up its own temporary MIA committee with the Vietnam veteran John Kerry as chairman. The new panel has to be alert not to undercut the administration's chosen negotiating strategy toward Vietnam and not to unduly raise the hopes of the MIA families. It comes on the scene at a moment when Vietnam is increasing its cooperation with MIA searchers and when the Pentagon is beefing up the resources assigned to this task. A careful Senate inquiry could still usefully help address the suspicions that some Americans feel about this painful issue.

*— THE WASHINGTON POST.*

# Women in the Forces

For years now, Americans have become accustomed to seeing women in more and more new roles. That surely explains why the 35,000 American women serving in the Gulf war attracted so much attention without causing any big surprise. If there is one thing to be learned from female astronauts, police officers and firefighters, it is that guts and competence have no gender.

Senator William V. Roth Jr., a Delaware Republican, had it exactly right, then, when he said last week, "We are here to talk not about whether we are to have women pilots flying combat missions, but whether we want the best pilots flying combat missions." Senator Roth was a principal sponsor of an amendment to the military budget bill overturning a 43-year-old law prohibiting women from flying warplanes in combat. The amendment won the day, as did similar legislation in the House last month.

The senator characterized the amendment — which permits but does not require the Air Force, Navy, Army and Marine Corps to allow women to fly combat missions — as "pinpointed laser surgery." So it is, but it also opens the way to major surgery. That surgery is probably inevitable, despite the gripes of those who hark to the days when knighthood was presumably in flower. But even its most ardent champions will be wise to urge caution. There are many questions to be asked and answered about expanding roles for women in the military. Fortunately, not one of them — from training and physical standards to pregnancy — is beyond solution.

The Senate also passed an amendment that would create a 15-member commission to explore concerns like physical strength and child care and make recommendations by December 1992. Meanwhile, the commission is expected to ask Secretary of Defense Dick Cheney to open combat positions to women on a temporary basis to test their performance and their impact on previously all-male units.

Men and women who join the armed forces do so because they want to make a career out of serving their country. The lifting of the ban on female combat pilots means that they can now fulfill that challenge in a wider variety of ways — and to the best of their ability. Which is, strictly speaking, what this "pinpointed laser surgery" and the other surgery to come are all about.

*— THE NEW YORK TIMES.*

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## OPINION

# Yugoslavia Needs a Breather, Whatever Comes Later

**By Ante Markovic**

*The writer is prime minister of Yugoslavia.*

BELGRADE — Until October last year, Yugoslavia was going through one of the most promising reforms ever experienced in a socialist country. We completely liberalized the market and our foreign economic relations. We built our foreign exchange reserves up to more than $10 billion and brought inflation down to zero. Those results received undivided appreciation and support in the international community.

However, that success was jeopardized when it came to providing a legal framework for the new relations that were emerging in the country, and when the issue of ownership transformation topped our agenda.

***Unilateral secession leads to the use of force, perhaps even to involvement of foreign factors.***

Then, instead of rational solutions, we were confronted with irrational passions, with ethnic and inter-republic conflicts, the stonewalling of reforms — in short, with economic, legal and social chaos and anarchy. All that culminated in the well-known events in Slovenia.

It seemed at one point that, thanks in part to mediation by the European Community, we had managed to avoid the war that was gaining momentum in Slovenia. But now we witness again in most parts of Yugoslavia a mass hysteria of sword-brandishing and warmongering.

Anyone trying to grasp our situation at this moment has to bear in mind that unilateral decisions to divide a country into several parts without negotiating must result in bloodshed.

Also, any attempts to block the course of change toward democracy, a modern market economy and human rights and freedoms — the course upon which the reforms launched by the Yugoslav government directed the country — put the country in a state of conflict.

Relationships being what they are, institutions and the federal system itself are gradually fading away. As a result, economic collapse comes ever closer — adding the specter of social explosion to that of civil war.

In an attempt to prevent such a development, the Yugoslav government has proposed that during a three-month moratorium period an agreement should be reached among leaders of the country — the federal presidency, presidents of all republics, presidents of parliaments and prime ministers, chief officials of the Federal Assembly and the government of Yugoslavia.

This agreement should cover three key points: how to ensure peace, cessation and prevention of inter-republic and interethnic conflicts; how to enable the functioning of the legal system, the economy and the society in the moratorium period — because even if we reach an agreement on preventing conflicts, that would not avert the economic and social disaster; and how to provide conditions for joint work on negotiating the future of Yugoslavia.

The Yugoslav government has proposed a program for the functioning of the country during the moratorium, which is designed both to create conditions for termination of ethnic strife and to permit the negotiations on the future of the country. If a consensus of all political elements is not reached on this program, the government will not bear the responsibility for the catastrophe that follows.

With this proposal we do not seek to preserve the status quo, nor to impose any pattern on future relations among the constituent parts of Yugoslavia. The latter problem is, of course, something to be resolved by democratically elected and legitimate representatives of the citizens of our country and our nations.

If conditions exist for a survival of Yugoslavia, they should be fully exploited. If not, then we should separate without bloodshed, in a civilized, peaceful and democratic manner, and let each constituent part establish its own state.

The establishing of independent states does not rule out the possibility of organizing numerous common functions. In the last 70 years many structures have been formed in Yugoslavia that must not be annihilated overnight. They made the best of our interdependent relations during those years. They should be used in our common interest.

The right of self-determination, if it is to be applied in Yugoslavia, implies a democratic process, not unilateral actions. Secession, as a unilateral act, would be a forcible alteration of our present relations, a negation of democracy and denial of the rights of other nations that live in Yugoslavia. It would also raise the delicate issue of borders.

If applied as a solution to the Yugoslav crisis, secession leads to the use of force, perhaps even to involvement of foreign factors, thereby spreading the crisis to the entire region.

Armed conflicts in Yugoslavia, their casualties and the misery of war are the focus of global attention right now, whereas the threat of economic collapse, affecting not only the war zones but the whole country, goes unnoticed. The parties to conflicts are preoccupied with irrational concerns, not with the rational and real problems of the basic functioning of life in the moratorium period.

Of course, our primary task is to halt the violence and to prevent further futile loss of life, and for that we expect international assistance. But we expect understanding and economic support from abroad as well, because it is in the interest of the international community to remove an acute focus of crisis in Europe and help a democratically transformed Yugoslavia join the current processes of integration.

Without an agreement inside the country and without international support, Yugoslavia is headed for political, economic and social catastrophe. These are decisive and crucial moments for Yugoslavia. There will be enough reason in this country, I believe, to help us find solutions for our future coexistence. I hope our friends abroad will support us in these efforts.

*International Herald Tribune.*

# *For a Europe That Assumes Its Difference and Plays Its Role*

**By Dominique Moïsi**

PARIS — Are Europeans and Americans "the same people," as a recent article argued on this page? Is geographical separation really just a material detail that in no way justifies a separate European identity?

"Continentalism: A Silly New Excuse for Splitting Up the World," said the headline over the July 22 article in which Brian Beedham dismissed Europeans who want to stand off from America and organize Europe as a separate unit in the world.

As someone who for most of my professional life has been criticized in my country (France) for resolute Atlanticism, I would like to come to the defense of those Europeans who believe that Europe should have a separate identity.

The notion that Europeans and Americans are the same people doesn't wash. Common values do indeed unite us around the mission to defend democracy. And the Tocqueville tradition of admiration for the American political model lives on in Europe. But personal experience confirms differences.

An early experience upon my arrival at Harvard as a graduate student in the early 1970s was the discovery of my European identity, my special links with other Europeans, be they German or British.

Travel in America was especially instructive. How diverse Europe seemed — sharply distinct cultures and separate languages within a few hundred miles, whereas America impressed by the unity of its immensity.

Beyond that are basic psychological differences between the two sides of the Atlantic. America is a continent that heavily emphasizes the future, sees itself as a self-sufficient project. Since the fall of the Berlin Wall, Europe is a continent more aware of its past than ever.

Instead of artificially stressing resemblance, we should accept the differences and recognize the complementarity of the two continents. They have a lot to learn from each other.

Europeans need to learn from the openness of the American system, the strength of its democracy, its pluralism, the vibrant independence of its press, the constraints on its federal government, the dynamism of local elites.

Americans ought to learn from Western Europe how to instill a greater sense of social justice. People should not be turned away from hospitals for lack of insurance, or die in the street of drug overdose, or risk mugging or worse in public places. From Eastern Europe, as it emerges now from 40 years of darkness, Americans could relearn the disciplines of solidarity, lost in the extreme individualism and consumerism of modern American life.

Americans and Europeans should shun caricatures of each other. Neoconservatives in America keep seeing Europe in stereotyped negative terms — an evil continent. For instance, many Americans remain obsessed by the barbarism of the Nazi era — as if that time of madness summed up European history. It was Europe, after all, that created Western culture.

And Europe is more than good food, beautiful cities and elegant women. Such compliments can seem meant to dismiss the idea that Europe can return to a leading role on the world stage. Europe is more than a past to be denounced or a present to visit and enjoy.

Ideological denunciation of America is in decline in Europe, passing out of fashion in those sectors that used to see the United States as an evil imperial force.

After the fall of the Berlin Wall, the relationship between Europe and America cannot remain what it was for more than 40 years. That was an atypical period, a historical parenthesis than could not last — a tragic time for Eastern Europe, a comfortable one for Western Europe, a costly but satisfactory one for the United States. Europe today cannot continue to depend for its security, like the merchant city-states of the Middle Ages, on the self-interested generosity of others.

The situation in Yugoslavia, for example, is a European matter to be handled by the Europeans themselves. They should come up with their own version of the Monroe Doctrine — not to exclude the United States but to affirm their unique and obvious responsibility within the new European Continent.

*The writer, associate director of the Institut Français des Relations Internationales and editor of its journal, Politique Etrangère, contributed this comment to the International Herald Tribune.*

# Pearl Harbor: The Idea for Japan's Offensive Wasn't Japanese

**By William H. Honan**

NEW YORK — It is common to hear complaints that the "treacherous sneak attack" on Pearl Harbor in 1941 was an expression of the Japanese national character. The fact is that all major powers have resorted to surprise attack whenever it suited them. The 1846 U.S. invasion of Mexico, for example, began several days before Congress got around to declaring war.

In the case of Pearl Harbor, it has come to light that the plan for Japan's Pacific offensive was meticulously spelled out by a British naval expert — albeit to discourage Japan — in a book widely debated in world capitals in the 1920s and into the '30s.

Historians have believed that the Japanese offensive was conceived independently by Admiral Isoroku Yamamoto, commander of the Combined Fleet of the Imperial Navy. But in March 1926, when then Captain Yamamoto arrived as naval attaché at the Japanese Embassy in Washington, an intense debate was in progress over a provocative book that described a future war between Japan and the United States, written as if by a future historian piecing the story together.

In "The Great Pacific War," Hector C. Bywater sought to deter Japan from aggression by analyzing the best possible naval strategy for each country and demonstrating that ultimately Japan would lose.

At the outset, by making a surprise attack against the U.S. naval force in the Pacific, simultaneously capturing the Philippines and Guam and militarizing the formerly German Pacific islands mandated to Japan by the League of Nations, the Japanese could achieve a string of spectacular victories and go on to create a nearly invulnerable island empire, Mr. Bywater wrote. But in time the United States would counterattack. After a reckless and costly attempt to penetrate Japan's protective screen of island bases, the U.S. Navy would pursue a novel and successful amphibious campaign across the central Pacific that would finally defeat Japan.

This was the first time a naval analyst had publicly spelled out the concept of island-hopping across the Marshall and Caroline chains that became a fundamental of American strategy.

A Western expert's view of a possible Pacific war was precisely the sort of thing a Japanese naval attaché in Washington would be on the lookout for. Moreover, the author of these intriguing strategies was not just any Western expert. Mr. Bywater previously had written "Sea Power in the Pacific," a scholarly assessment of the relative naval strengths of Japan and the United States that had become the most discussed book at the Washington Conference on Naval Limitation in 1921. By 1926, he was well on his way to recognition as the world's leading authority on naval affairs.

Sifting through a Tokyo archive of diplomatic records, I discovered documents showing that Captain Yamamoto reported to his superiors about the ideas in Mr. Bywater's book. Two years later, after returning to Japan, he delivered a lecture in which he adopted Mr. Bywater's concepts as his own to show how Japan could defeat the United States. In 1934, the two men actually met face to face in London and spent an evening together discussing Pacific strategy and tactics.

In 1939, when Admiral Yamamoto was named commander in chief of the fleet and was charged with preparing it for war, he began to rehearse the strategy and tactics he had formulated in 1928 after having read "The Great Pacific War." He adopted Mr. Bywater's war plan in matters ranging from overall objectives and strategy down to such small but critical details as many of the beaches on which invading forces were to land.

In the Philippines, for example, Mr. Bywater stated that invading Japanese forces would make three simultaneous main landings — at Lingayen Gulf and Lamon Bay on the island of Luzon, and on the southeast coast of Mindanao. In the plan approved by Admiral Yamamoto in 1941, Japanese troops landed en masse at Lingayen Gulf and Lamon Bay and on the southern coast of Mindanao. Given the innumerable possible landing sites in the Philippines, the odds against any such accidental similarities are very great.

Admiral Yamamoto accepted Mr. Bywater's analysis that Japan would ultimately be crushed by the superior industrial, economic and political power of the United States. But once it was clear to him that Japan's leaders were intent on war, he became convinced that Mr. Bywater's offensive strategy would place Japan in the strongest possible position to press for favorable terms in a negotiated settlement of the war.

Mr. Bywater's influence is historically important, I believe, because otherwise Admiral Yamamoto probably would have carried out a contingency plan favored by the Imperial Navy general staff to attack the Dutch East Indies instead of Pearl Harbor — and that, as the military historian Louis Morton has written, might not have engaged the United States at all, or, if it had, might have led to a very different war.

The U.S. Navy also was influenced by Mr. Bywater's writing. A year and a half after publication of "The Great Pacific War," the navy drastically revised "War Plan Orange," the official contingency plan for war against Japan. It discarded the idea of a reckless trans-Pacific lunge, which Mr. Bywater had shown to be doomed to failure, and adopted in its place his careful step-by-step advance across a bridge of islands.

□

Mr. Bywater was motivated to write "The Great Pacific War" by a running debate he carried on with Franklin D. Roosevelt in 1923. Mr. Roosevelt, who had served as assistant secretary of the navy for six years and fancied himself a naval analyst, had argued in an essay in Asia magazine that the distances across the Pacific were so vast that a Japanese-American war was a physical impossibility.

Mr. Bywater took issue, and Mr. Roosevelt responded. Finally, Mr. Bywater wrote his magnum opus in an effort to get in the last word and show once and for all that the two foremost Pacific powers could indeed come to grips in a decisive struggle.

Although forgotten today, Hector Bywater was a fascinating individual. Before and during World War I he became the Royal Navy's most effective spy inside Germany, having learned to speak idiomatic German flawlessly. After the war he secured his reputation as the foremost naval journalist of his generation by his headline-making revelations about the secret growth of the German, Italian and Japanese navies.

In 1928, he became the first reporter to tell the world about Germany's secret "pocket battleships," which threatened to upset the old calculations of tons and guns. In 1937, he revealed that Japan was secretly building four "monster" battleships — seagoing fortresses so fearful that the news of their existence started the naval arms race that led to Pearl Harbor.

The fact that Admiral Yamamoto adopted someone else's ideas does not absolve the Japanese of responsibility for their actions. It only shows that the ideas were not uniquely Japanese. They were devised by others and were "out there," so to speak, in the public domain. They seemed compelling in terms of geography and the naval technology and geopolitics of the era. They were adopted by both sides.

It is not too much to say that Hector Bywater taught a generation of Japanese and American naval officers how to make war against each other.

*Mr. Honan is a New York journalist who writes frequently about naval affairs. His latest book, "Visions of Infamy," is a biography of Hector Bywater. He contributed this comment to The Washington Post.*

# *Can Tokyo Keep Waiting for Moscow?*

**By Masashi Nishihara**

YOKOSUKA, Japan — The recent summit meeting in London between the leading industrial powers has strengthened Japan's hand in negotiating normal relations with the Soviet Union on Japanese terms. It is not certain, however, that the advantage will last for very long.

Tokyo's position has been that Moscow should return four disputed islands that Soviet forces seized at the end of World War II, so that the two countries can sign an overdue peace treaty. Only then will Japan move quickly to establish active economic relations with the Soviet Union, including its underdeveloped Far East region, and discuss a new framework for peace and security in the Asia-Pacific region.

The statement by the chairman of the London summit meeting referred to the need for "full normalization" of Japanese-Soviet relations through resolution of the problem of the disputed Northern Territories. And the summit's political declaration stressed that "new thinking in Soviet foreign policy should be applied on a global basis," particularly in Asia. That means that Moscow should return the disputed islands.

They were occupied — only after Japan surrendered on Aug. 15, 1945 — as part of an expansionist policy pursued by Stalin. The London declaration implies that Mikhail Gorbachev should admit the mistake of taking the islands from Japan, just as he has conceded that the Soviet Union was wrong to intervene in Hungary, Czechoslovakia and Afghanistan.

The London summit responded cautiously to Mr. Gorbachev's call for Western assistance to economic reform in the Soviet Union. This caution accords with Japan's policy of withholding large-scale aid until the territorial dispute is settled. The serious reservations of Japan and its Western industrial partners about the capacity of the Soviet Union to transform itself into an open, market-oriented economy justify careful consideration of outside assistance.

Unlike Germany, which was among the strongest advocates of positive support for the Soviet Union at the London summit, Japan can afford to be prudent. There is little fear in Tokyo that a collapsing Soviet economy will lead to a flood of refugees to Japan, since the two countries are separated by the Sea of Japan. Germany's stake in Soviet economic reform is much larger than Japan's. Germany's aid amounts to about 40 percent of total assistance to the Soviet Union; Japan's accounts for only some 7 percent.

There are no Soviet troops in Japan, except for the Northern Territories. Germany, on the other hand, has 300,000 Soviet soldiers in its eastern sector and must maintain friendly relations with the Soviet Union and help it economically to facilitate the smooth withdrawal of these forces.

More important for Japan is the fact that although the Soviet Union has reduced its military presence west of the Urals, it keeps adding modern ships and aircraft to the Western Pacific theater while retiring obsolete weapons. It should not only convert military industries to civilian use, it should also assure Japan that any economic aid it receives will not be used to produce Soviet military hardware for deployment in the Western Pacific.

Cautious and limited support by Western industrial powers for Soviet economic reform helps Japan buy time to see how Mr. Gorbachev copes with conservative forces in Soviet society. Tokyo also needs to watch the relationship between Mr. Gorbachev and Boris Yeltsin, the Russian president. Should a debilitating conflict develop between them, Japan will have to decide which one to support.

Yet buying time does not necessarily give a long-term advantage to Japan. Germany, as host to the 1992 summit of industrial nations and Mr. Gorbachev (or his successor), is likely to push the other members of the Group of Seven toward a more positive stance in support of the Soviet Union. France, Italy and Canada are already in the German camp on this issue, and Britain and the United States may move in that direction. Japan will face obvious difficulties in maintaining a different stance.

In 1993 it will be Japan's turn to host a summit and invite the Soviet leader. While the prospect of a summit in Japan may pressure Moscow to settle outstanding territorial issues with Tokyo, it also places the Japanese government in a dilemma: Should it stick to its traditional policy of demanding the islands back, and risk isolation in the Group of Seven, or should it compromise on the territorial question and join the bandwagon in buttressing the Soviet economy? This will be a major challenge for Japanese diplomacy.

*The writer is a professor of international relations at the National Defense Academy, in Yokosuka, who specializes in Asia-Pacific security affairs. He contributed this comment to the International Herald Tribune.*

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1891: Eve of Rebellion

SHANGHAI — There is no doubt about it — China is on the eve of another great rebellion. The whole Empire is in a ferment; Peking is in a panic; foreign volunteers are drilling assiduously in Shanghai, and war ships are hurrying from all parts of Chinese and Japanese waters up to the Yangtsze. The air is full of trouble, and the central Government of Peking is simply paralyzed with terror at the seriousness of the situation. Preparations are being made on all sides for a repetition of the stirring and terrible days of the Taeping, a quarter of a century ago.

### 1916: French Success

PARIS — It was no flash in the pan, the success which the French scored on Friday [Aug. 4] in the Thiaumont-Fleury section of the Verdun Front. On the contrary, it has been maintained at every point, notwithstanding the frenzied efforts of the German Crown Prince to regain the ground for which he had paid so much blood — of others. All night long German forces were hurled at intervals against the Thiaumont work, the possession of which is of vital importance to the Germans. But every assault was broken by the indomitable French troops.

### 1941: U.S. Seizure Bill

WASHINGTON — [From our New York edition:] The House, by a vote of 241 to 136, has passed a Senate-approved bill authorizing President Roosevelt to requisition private property deemed essential to the national defense. Under its provisions the President is empowered to take over at a "fair and reasonable" price property needed for the production of "military or naval equipment, supplies, munitions or component parts thereof, or machinery, tools or materials necessary for the manufacture, servicing or operation of such equipment, supplies or munitions."

# OPINION

## No End of Fancy Hardware For the Forces to Play With

By Tom Wicker

NEW YORK — Many an American is happy that the Cold War is over and the astronomical cost of the military must therefore be coming down.

Many others are unhappy to discover that their states and municipalities no longer have the money to pay for libraries, schools, parks, public services and other accustomed amenities.

Both kinds of Americans may be shocked to discover that by the reckoning of the chairman of the Senate budget committee, the Pentagon still is seeking more than $500 billion of taxpayers' money for "about 100 major weapons acquisitions programs."

Targets for these weapons seem mostly to be in the eyes of their supporters.

Nor is it only the military that wants a lot of high-priced hardware to play with. Both House and Senate have agreed to throw away $2 billion in fiscal 1992 on the space station; ultimately, it will cost a nation that cannot provide decent health care for millions of citizens the grandiose total of $30 billion.

That may not count the $4 billion already down the drain, and surely does not include the expectable cost overruns or the design changes necessary to make this turkey fly, if it ever does.

As for the Superconducting Supercollider — or is it the Supercolliding Superconducter? — this monstrosity will bleed taxpayers by only $535 million in fiscal year 1992 (cigarette money in the hardware league) but $11 billion before it supercollides or superconducts, whichever comes first.

Is opposition to these boondoggles anti-science?

Not at all. Jim Sasser, the Tennessee Democrat who chairs the aforementioned budget committee, has pointed out in an opinion article in The New York Times that paying for the space station would "doom other necessary space-science projects to extinction."

He was too charitable to report that many scientists consider the space station a man-made black hole, down which to pour taxpayers' money.

The supercollider, Mr. Sasser wrote, "would relegate smaller science programs, the heart of America's technological capability, to a budgetary no-man's-land." But members of Congress apparently never met a big-ticket item they didn't love.

The military, of course, continues to be the biggest feeder at the technological trough. Here is Mr. Sasser's partial list of Pentagon phantasmagoria:

*Star wars:* Despite a report by the General Accounting Office that the $24 billion already invested in this pipe dream has resulted in $3 billion wasted on poor planning and unproven technologies but very little usable weaponry, the outlook is for $20 billion more to be blown into blue sky in the next three years.

Not content with this profligacy, the Senate Armed Services Committee now proposes to spend about $10 billion on the deployment of 100 ground-based anti-missile missiles — a money-guzzling nightmare rejected as far back as the Nixon administration and for the resurrection of which no one can offer a coherent rationale except to make Democrats look hard-nosed. But who could believe that?

*The B-2 bomber:* Someone ought to be able to say why America needs it at this price, about $16 billion. That would rebuild — if Congress *must* have hardware — a lot of highways and bridges.

*The Aegis class destroyer:* Here's a real budget destroyer, a high-tech naval ripoff flying a $10 billion price tag.

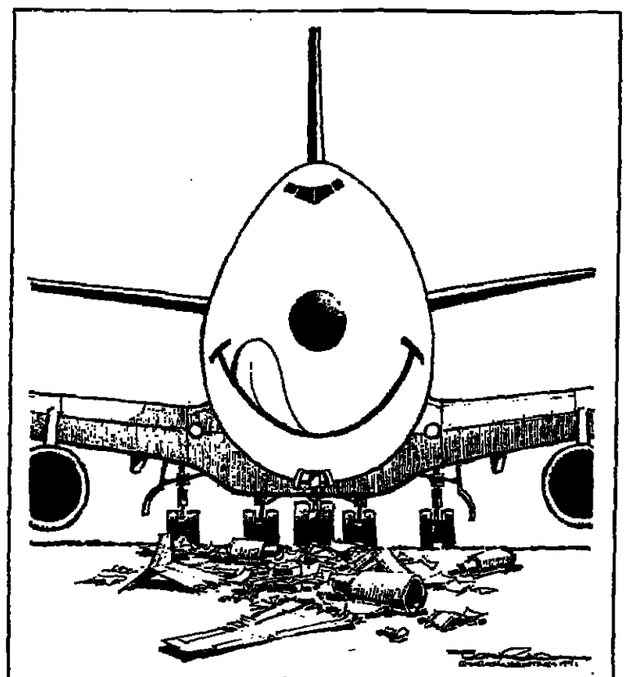
*The F-22 tactical fighter:* For $7.1 billion, will America get an advanced version of "Top Gun," starring Tom Cruise, maybe called "Son of a Gun"?

*The C-17 military transport:* $17 billion for this oversized beauty, which will make it easier to carry U.S. troops here and there, to police up those little wars that may be part of the new world order.

Mr. Sasser is primarily concerned to reduce the federal deficit. But cutting some or all of a projected big-ticket outlay that he estimated at more than $85 billion over the next three years is necessary, also, for the reason advanced by Bob Traxler, the Michigan Democrat who chairs a House subcommittee that boldly but vainly tried to jettison the space station. "We simply can no longer afford," said Mr. Traxler, "huge new projects, with huge price tags, while trying to maintain services that the American people expect."

But don't hold your breath until he and Mr. Sasser get their way.

*The New York Times.*



*. . . and then there was one.*

## We Keep Knocking but Nobody's Home

By Alan Lightman

CAMBRIDGE, Massachusetts — Humanity was presented with a cosmic irony the other day when astronomers in England reported the discovery of the first known planet beyond our own solar system.

After centuries of hopeful speculation about the existence of other worlds and other creatures on those worlds, Nature's joke is that the new planet, 30,000 light-years away, is almost certainly deader than a doornail.

Why? Because the new planet orbits a neutron star, a stellar carcass that has exhausted its nourishing outpourings of light and heat, so essential to life as we know it.

We have finally found another house, far through the thickets of the galaxy, and no one is home.

Although the new planet, about 10 times the mass of Earth, is possibly the first to be found orbiting a star other than our own sun, astronomers never doubted that such planets existed. The odds are too great. There are billions of stars in our galaxy.

What is more interesting is whether life exists elsewhere in the universe and what that life is.

Ever since the late 16th century, when the philosopher Giordano Bruno proposed that space was littered with an infinite number of worlds, inhabited by a multitude of living creatures, most scientists have assumed that planets are where to look for life.

A planet provides a store of chemicals for manufacturing the complex molecules of biology; a planet, through its gravity, holds an atmosphere, including gases needed for life; and, perhaps crucially, a planet receives heat and light from its central star, to power photosynthesis and other chemical reactions.

**MEANWHILE**

We first examined the planets in our own solar system. Mars seemed to be the best candidate, having conditions like those of Earth. But to everyone's disappointment the Viking robot landers of the 1970s found no signs of life in the red Martian soil.

We have also pursued the search for planets beyond the sun.

Much of this search is justified on inorganic merits alone. There are many questions about how our own solar system formed that will surely be answered through the study of other systems. How does a cloud of gas orbiting a central star condense into planets? What is the role of rotation and magnetic fields? What determines the size and the spacing of planets?

Nevertheless, I will hazard the guess that almost every astronomer, whether they admit so or not, is driven in this search by the single haunting question: Are we alone in the universe?

To be fair, the University of Manchester program that reported the new planet could not possibly have found a planet around a life-sustaining star. That program had been monitoring the radio pulses from burned-out neutron stars exclusively.

Indeed, it was the minute variations in the pulsations of neutron star 1829-10 that led the scientists to infer the presence of a planet circling about it.

Their discovery must be considered a triumph of science because it is extremely difficult to identify an extrasolar planet in orbit about any kind of star.

At the distance of even the nearest stars the reflected light from a planet would be swamped by the light of its central star, just as a firefly would be invisible next to a searchlight. Furthermore, the telltale wobble of a star in response to the gravitational tugs of an orbiting planet is minuscule.

New astronomical instruments planned for the next decade should be able to discern such tiny wobbles of normal, light-producing stars nearby. An Earth-orbiting telescope planned for the end of the decade, the Space Infrared Telescope Facility, should be able to directly observe the faint heat emitted from large nearby planets, regardless of the type of star they are circling.

Finally, astronomers continue to scrutinize radio signals from space in case other intelligent beings are broadcasting their existence. Signals from scientists have now reached 50 light-years from Earth, in all directions, and are still traveling.

To stay in business, every scientist must believe in an objective reality outside of human concerns.

But, in a sense, the entire scientific enterprise is devoted to learning more about ourselves. How else could one explain the impact of Copernicus's idea that Earth is not the center of the universe, or Darwin's statement of natural selection?

So too, we search the stars to find ourselves on Earth.

*The writer is professor of science and writing and senior lecturer in physics at the Massachusetts Institute of Technology. He contributed this comment to The New York Times.*

## A Role for Japan

SOME argue that it is America's nuclear weapons that give Japan the luxury to be "peaceful." By advocating arms reductions internationally, Japan would burn the American security blanket. But this is old-world-order thinking. Japan faces no real threat to its territory today.

Admiral William Crowe, a former chairman of the Joint Chiefs of Staff, now argues that "substantial benefits" would accrue "from mutually denuclearizing all naval forces except sea-launched ballistic missiles." Since port visits by nuclear-armed ships violate Japan's pledge to forbid introduction of nuclear weapons to its territory, an initiative to ban such weapons from surface ships and attack submarines should be encouraged by Tokyo.

Rather than urge Japanese militarization, America and the world should encourage Japanese leadership to bring about a peaceable new world order.

*— George Perkovich, commenting in the Los Angeles Times.*

## LETTERS TO THE EDITOR

### For 4 Million Afghan Refugees, No Homecoming in Sight

The major humanitarian issue — much more even than the Iraqi Kurds — that needed the urgent attention of the Group of Seven leaders in London and of George Bush and Mikhail Gorbachev in Moscow was that of nearly 4 million Afghan refugees now living in camps in Pakistan.

They were pushed out of their homeland after the Soviet occupation of Afghanistan 13 years ago. Nobody knows when they will return.

The United States provided all-out support to the mujahidin and the refugees for about a decade, but support has been gradually withdrawn as relations between the United States and the Soviet Union have improved. The United Nations has cut back its 1991 rehabilitation budget for Afghan refugees, and its peace plan to end the 13-year-long civil war is in cold storage.

The refugees remain in agony. Yet if the United States and the Soviet Union wanted, this situation could have been resolved by now. Unfortunately, the Afghan issue was put into the background after the Iraqi occupation of Kuwait and the Gulf war.

H. B. KHOKHAR,
Editor-in-Chief,
Third World Defense,
Karachi, Pakistan.

### Hiroshima and Koreans

As a part of observations of the 46th anniversary of the bombing of Hiroshima on Aug. 6 and Nagasaki on Aug. 9, pacifists from all over Japan and elsewhere gather in Hiroshima this Tuesday to remember the dead and to pledge an end to wars. Yet, visitors to the city's Peace Memorial Park, where victims of the atomic bomb are remembered, will be witnesses to invidious discrimination that tears at the heart.

The center of the nuclear explosion is marked by a cenotaph, on which is inscribed the names of victims. It does not bear the names of more than 50,000 Koreans who were victims of the bomb. In August 1945, some 70,000 Koreans were living in Hiroshima and 30,000 in Nagasaki. Most were forced laborers brought there while Korea was under brutal Japanese colonial rule.

Koreans, who constitute the largest ethnic minority in Japan, protested to no avail. The Hiroshima authorities refused to let the city's Korean residents build their own commemorative monument in the park. They had to build it outside, across a river. Most visitors do not see that monument; nor do they realize that more than 10 percent of the Hiroshima bomb victims were Koreans.

Officials rejected the appeal to include the Korean monument on "aesthetic grounds." There were already too many monuments inside the park, they said. But later the architects found more room for monuments, including one to horses that died in the atomic blast.

Korean survivors did not become eligible for government-subsidized medical care until 1978, when the Japanese Supreme Court ruled that all victims were eligible regardless of ethnic type.

As we mourn the dead and pray for peace on this day of remembrance, it behooves Japan to get rid of its blind spot. Only when the Korean monument is moved inside the park and the name of every know victim is listed on the roster can talk of peace and justice be taken seriously.

K. CONNIE KANG,
San Francisco.

### Death Before Birth

In "We Should Agree to Disagree on Life Before Birth" (*Opinion, July 25*), Dr. Malcolm Potts criticizes Pope John Paul II, saying that the Pope's analogy between abortion and the Holocaust "turns history on its head."

I could not help but wonder whether Dr. Potts's comment that "the human embryo does not look different from that of a monkey, or even a pig," does not reflect a kind of discrimination very similar to that of the Holocaust.

No competent scientist can deny that the human embryo is a living human individual. To deny this individual the rights we grant to all other living human beings would be to victimize a minority group, just as Hitler's Holocaust did.

ROBERT A. GAHL JR.
Rome.

Because the population explosion is now the great global problem at the root of all others, I agree with Dr. Potts's renewed call for contraception to curb population as well as abortions, AIDS and other sexually transmitted diseases. In this light, the Pope's ban on contraception is not just benighted; it is criminally perverse.

CHARLES DICKINSON,
Wichita Falls, Texas.

### Crime Fighters in the Dark

*Regarding "How Killer Slipped Through the System" and "CBS and Disney Cut Ties with 'Pee-wee'" (July 31):*

How ironic, these two reports next to each other. One cites claims that an overworked justice system failed to prevent mass murder. From the other, one learns that police have the time to arrest someone for seeking his lonely pleasure in a porno theater.

Considering what was displayed on the screen, did the undercover officer really think he was protecting the audience from "indecent exposure?"

JOHN GREGORY,
Paris.

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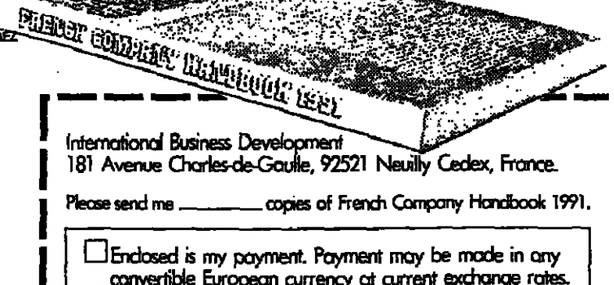

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International Herald Tribune

6-8-91

# Of Dignity, and Death, in the Gaza Strip

## *Women Face Down Israeli Soldiers While Children Act Out the Tragedies*

By Nora Boustany
*Washington Post Service*

KHAN YOUNIS, Israeli-Occupied Gaza Strip — When Israeli soldiers blew up Noura Suleiman Awad's house, leaving her out in the cold one rainy night in January 1990, she roamed around barefoot, a bundle of rice resting on her head and a tin pot dangling from her waist.

That first winter, she recalls, she would gather a few sticks, make a fire and cook a meal for her wandering grandchildren, to create a sense of togetherness without walls. Like so many Palestinian women, she has lost the men in her family. Her eldest son, Nawaf, is in jail; another son, Marwan, was deported several years ago by the Israelis. Her husband, Jamil, fled to Lebanon in 1967 and has not been heard from since.

Despite her troubles, the 55-year-old woman, known as Um Nawaf, manages a brave smile. She takes a break from her small business — a stall of two wooden crates stacked with bags of nuts, melon seeds and lollipops — and squats in the shade of a few slabs of concrete, in the spot where her house once stood. Her eyes twinkle through tiny slits in a dark and deeply lined face, as she jokes about her "well-ventilated" living room.

"Why do I laugh?" she wonders aloud. "Out of fear that the enemy will trample over my sadness because one son is deported or another is in jail. If you see me in a colorful robe, it is not worn with sincerity."

She quotes a Palestinian proverb: "I am in black within myself, but I always wear red for my enemy."

The proverb is a bitter summary of what Israeli occupation and the *intifada*, or uprising, have meant for the women and children of the Gaza Strip. They struggle to maintain a semblance of normal life and to sustain their resistance to the Israelis.

The reality of Gaza grinds everyone down. For many Gazan families, the whole of life seems to be an effort to keep their dignity in the face of Israeli occupation.

The defiant families, like Um Nawaf's, are punished. Her home was dynamited, according to an Israeli military spokesman, because her son was a member of a Palestinian hit squad that was planning to kill collaborators. For similar reasons, at least 13 homes were demolished or sealed in Gaza between March and June this year, which left more than 130 people homeless, according to Western relief workers. The Israelis said 11 houses were demolished or sealed during the period, although a spokesman said that individual rooms in other houses may have been sealed.

Yet despite the harsh penalties, resistance continues. Although Um Nawaf says her feet hurt and her stomach aches, she still takes to the street to protect young boys during standoffs with Israeli troops, still joins in protests against deportations.

During one recent protest, Israeli soldiers chased her. Some of the other women demonstrators threw away their banners and ran. But Um Nawaf stuffed the stones she was clutching between her breasts, turned and smiled defiantly at the soldiers, her hands on her hips.

The women can get away with more, so they take more risks. They watch for Israeli jeeps at street corners, shepherding out the young stone throwers, urging them not to be afraid. When tear gas is fired, they use onions and cologne to counteract the sting.

For their audacity, these Gazan women sometimes pay a heavy price. Assi Suleiman, an ambulance driver in the strip, said he would never forget how Suad Saqr died during unrest in Khan Younis on Jan. 2. An Israeli soldier was aiming at a teenager hurling stones. Suad Saqr's little son was standing nearby.

"It was near the mosque," Mr. Suleiman recounted. "The woman spotted the sniper and lunged instinctively to scoop up her child. She was shot in the head. She died instantly, her arms held out to her son." Medical records at the Benevolent Society Ambulance Center verify that Mrs. Saqr died of a gunshot wound.

Even taking children to school can be dangerous. On May 25, what started out as a peaceful morning in Khan Younis was suddenly disrupted by ringing shots and screeching tires.

Mahdiya Huneidik, 34, rushed out on the sandy driveway to follow her children Samaher, 9, Hassan, 11, Mohammed, 7, and Khaled, 10, to make sure they got safely to the United Nations-operated school on Bahr Street. She ushered them inside to their classrooms and went out in the yard to close the gate.

Just then, recalled Ahmed Hussein Mansour, who said he was watching from across the street, an Israeli jeep slammed through the yard's wire enclosure. Mrs. Huneidik's head snapped back, and the impact flung her against a nearby wall. She later died.

The Israeli military spokesman denied that the army had any role in the woman's death. "There was a complaint — there was an investigation," he said. The military, he added, "did not have any involvement in the injury and no connection to her death."

The children were not aware of what happened until they came home from school.

"I saw my father crying," said Hassan. "All the neighbors were crying."

He now goes every day to visit his mother's grave with his brothers and sisters.

The children act out their parents' tragedies, even in play. In the nurseries and kindergartens run by women's committees in the refugee camps, arrests, killings and funerals are enacted in playgrounds and doll houses.

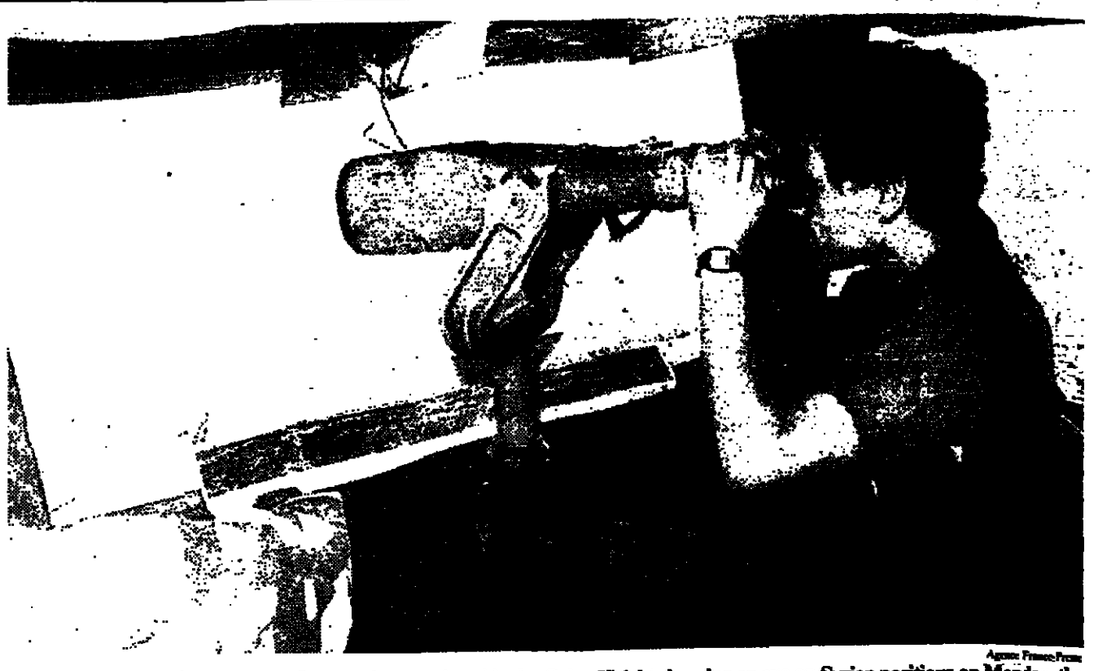
In a nursery at the Jabaliya camp, the boys play at hand-to-hand combat. Little wooden tables are overturned and transformed into Israeli jeeps. Building blocks serve as walkie-talkies or machine guns, or they are used to construct barricades. Other toys are used as stones. Shooting breaks out. Mock Israeli soldiers bark out threats and insults. Little women intervene to protect the little men.

"Tamar has become a martyr," shrieks a girl. A small, shrill voice calls for an ambulance. "Ululate, oh mother of martyrs, all the young men are your children," the girls break out in a chorus.

"God is greatest," shout the little men. Plastic hula hoops are held up as flower wreaths in the funeral procession.

The doll house, meanwhile, is abuzz with the clanging of pots and pans. The children are preparing a feast for the mourners. A stuffed giraffe is slaughtered. Then the army bursts in and disrupts the wake — throwing the food on the floor, tearing up the paper Palestinian flags and taking some prisoners. Those refusing to play get beaten up, until the teachers intervene.

"Life has dried up so much for these children, the only thing that makes them happy, the only attention-getting device is martyrdom," said Mary Khass, who runs the preschool Early Child Resource Center. "In those camps, everyone is poor. Almost everybody is nobody, until there is a martyr in the family. With martyrdom comes importance and a kind of status that goes beyond death."



Agence France-Presse

**TERRITORY IN DISPUTE — An Israeli soldier stationed in the Golan Heights keeping an eye on Syrian positions on Monday, the day after the Israeli cabinet agreed to take part in a Middle East peace conference. Israel has said it will not yield the Golan Heights, which it annexed from Syria, or other occupied territories. The issue is expected to be a major item of contention as the talks progress.**

# Baghdad Admits Germ-War Studies

*Compiled by Our Staff From Dispatches*

BAGHDAD — Iraq admitted Monday that it had conducted experiments into germ warfare, but it said it had stopped shortly after the start of the Gulf crisis last year.

Baghdad continued to insist that it had no biological weapons.

"The Iraqi side has informed the inspection team that there is a laboratory for biological research for military purposes within a general research establishment," a Foreign Ministry spokesman told Iraq's state-run newspapers, referring to a team from the United Nations.

"Iraq dropped this biological research completely in autumn 1990 because of the possibility of an attack," the ruling Arab Ba'ath Socialist Party newspaper, Ath Thawra, quoted him as saying. "There is positively no biological activity for military purposes, for ammunition or weapons building."

The head of the team, David Kelly of Britain, said Iraq notified him of the germ-warfare program within hours of his arrival Friday and was cooperating with his inspectors.

"We have made progress today," he said at a news conference after his inspectors visited the site of the experiments at Salman Pak, 30 kilometers (20 miles) southeast of Baghdad.

Mr. Kelly declined to say whether he had found evidence of weapons. The team has so far examined only the one site, but he said it intended to visit others.

At the United Nations, a spokeswoman said Iraq had told the team that all its biological agents had been destroyed. She said the team had been told that the research began in 1986.

Iraq previously told the UN Special Commission charged with locating and scrapping its weapons of mass destruction that the Salman Pak facility was used to inspect and analyze food and liquids for human consumption.

The UN inspectors arrived in Iraq a year to the day after President Saddam Hussein's army marched into Kuwait.

Under the terms of the cease-fire imposed on Iraq after its defeat in February, Baghdad must declare and scrap all its weapons of mass destruction.

During the Gulf war, troops of the U.S.-led coalition were inoculated against diseases including anthrax because of fears that Iraq might use biological weapons.

On May 14, Iraq denied having biological weapons in a declaration to the UN commission.

On Sunday, however, Mr. Kelly said Iraq had been helpful.

"We have had a warm reception," he said. "Every request I have made has been met, or they have said they will meet it."

The head of another team of UN inspectors that is hunting for evidence of an Iraqi nuclear-weapons program said last week that Iraq was being "very forthcoming."

David Kay, who is leading the fourth nuclear inspection team to visit Iraq under the terms of the cease-fire, said there had been a change in attitude since his previous visit.

Mr. Kay was the head of the second team, which flushed out evidence of a secret uranium-enrichment program. Iraq admitted enriching uranium after that team photographed equipment during an incident in which Iraqi soldiers fired in the air.

The Iraqi press agency INA said Sunday that Mr. Kay and his latest team had visited thermal power stations at Al Mussayeb south of Baghdad and Al Dora outside Baghdad.

INA said that on Saturday, the team discussed Iraq's uranium-enrichment program with Iraqi scientists.

*(Reuters, AP)*

Itsuo Inouye/The Associated Press

**Prime Minister Kaifu, right, and Finance Minister Hashimoto bowing as the Diet opened its extraordinary summer session on Monday.**

# KAIFU: *As Tokyo Scandals Spread, Prime Minister Kaifu's Ratings Soar*

(Continued from Page 1)

Kaifu's cabinet, Mr. Hashimoto is a rival of Mr. Kaifu's and a potential candidate for prime minister in his own right. The scandals, though, have killed his chances in this race — and may force him to quit his cabinet post.

In his speech Monday, Mr. Kaifu did not offer specifics of the regulatory legislation he will propose. There has been much talk here of creating a Japanese version of the Securities and Exchange Commission, but Mr. Kaifu did not allude to this idea.

The next item is a proposed change in Japan's election laws affecting the way the Diet is elected — and, theoretically, reducing the importance of corporate money in the electoral process. This plan has been a favorite project of Mr. Kaifu's since he became prime minister.

The version before the Diet is probably too ambitious to pass. Among other things, it would eliminate Diet seats now held by 42 members of the dominant party. But even if his plan loses, Mr. Kaifu should come out looking good.

"He will wave the flag of truth and justice," says Mr. Hayasaka, the consultant. "If the other politicians stab him in the back, he looks all the purer, and gets the sympathy of the people. This whole issue can only help Kaifu."

Finally, the special session is scheduled to consider a bill permitting Japan's military to take part in United Nations peacekeeping operations.

This plan would have been a political nonstarter a year ago in pacifist Japan. But since the Gulf war, the Japanese public has been extremely sensitive to charges from the United States and elsewhere that Japan has failed to meet its obligations as an economic superpower. Participation in peacekeeping operations might help offset that criticism.

The peacekeeping organization debate will focus attention on Mr. Kaifu's foreign diplomacy, another strong suit for the incumbent right now.

Mr. Kaifu's seemingly indecisive leadership during Japan's long debates over the Gulf war has largely been forgotten here. The prime minister has enjoyed favorable press coverage and high opinion poll ratings for his performance last month at the London summit meeting of the Group of Seven and during his meeting with President George Bush in Maine.

# *Iraq Begins Return Of Gold to Kuwait*

*Compiled by Our Staff From Dispatches*

KUWAIT — Iraq on Monday began handing back up to $700 million worth of gold that it looted from Kuwait after invading last August.

The transfer is the first major surrender of stolen goods under the terms of the cease-fire that ended the Gulf war and President Saddam Hussein's seven-month occupation of the emirate.

The emirate's Central Bank governor, Sheikh Salem Abdulaziz Saud as Sabah, said the transfer started on Monday morning at the Iraqi-Saudi border post of Arar.

When Iraqi troops stormed into Kuwait, they looted it of everything from the ruling emir's gold bath fixtures to Islamic art, computers and luxury cars.

Much of that plunder has long since disappeared. But the return of millions of dollars in gold, currency and artworks was set as a condition of the United Nations cease-fire resolution.

All the missing bullion — 3,216 gold bars, each weighing 13 kilograms (29 pounds) — has been accounted for, Sheikh Salem said. The return of the gold began three days after the first anniversary of Iraq's invasion of Kuwait.

The bars will be transferred to Arar over several days and then flown to Kuwait, where they will be placed in the Central Bank, the governor said.

Sheikh Salem said the gold was being trucked overland from Baghdad and handed over to a 16-member team of UN and Kuwait Central Bank officials.

He said processing the shipments would take time, because each bar had to be weighed to ensure that it had not been shaved.

"It is not easy to receive these bars," Sheikh Salem earlier told the newspaper Sawt al Kuwait. "They will have to be tested one by one to make sure they are the right weight and that the gold is pure."

Kuwait and Iraq agreed in June to the return of the bars. Baghdad is also returning commemorative coins and currency seized from the bank.

Kuwait has estimated the value of the currency at $260 million, although Iraq has said it has just $170 million in bills.

The old bills were canceled by the Kuwaiti government during its exile in Saudi Arabia, and new Kuwaiti currency was issued after the Iraqis were driven from Kuwait by a U.S.-led coalition Feb. 26.

Sheikh Salem valued the gold and silver coins expected to be returned by Iraq at more than $1.5 million.

Iraq has already returned two civilian aircraft seized during the occupation and has promised to begin returning the artworks plundered from the Kuwait National Museum next week.

The stolen Islamic art collection, considered one of the world's finest, was owned by the ruling Sabah family.

The 7,000-piece collection includes pages from a 7th-century Koran, crystal chess pieces made in 10th-century Egypt, and rare carpets from Turkey and Persia dating from the 14th to 17th centuries.

*(Reuters, AP)*

## Pan Am Airliner Lands With Tanks on Empty

*Agence France-Presse*

ISLIP, New York — A Pan American Airbus A-300 made an emergency landing at a Long Island airport after it ran out of fuel while waiting for permission to land at New York's Kennedy International Airport, aviation authorities said.

The plane, which had flown from Hamburg with 193 people aboard, landed safely at Long Island's MacArthur Airport on Sunday.

# ARMS: *U.S. Surpasses Soviets*

(Continued from Page 1)

measures to curb arms sales to the Middle East. The report shows that the United States has replaced the Soviet Union as the biggest supplier of arms to the region, providing 36 percent of all conventional weapons sold to the Middle East from 1987 to 1990, as against 16 percent in 1983-86.

The Middle East is the largest arms market in the Third World, accounting for more than half of all arms purchases in the last eight years. The region also accounts for a growing share of U.S. arms sales agreements: 76 percent in 1987-90, up from 65 percent in 1983-86, the report shows.

Mr. Bush's Middle East arms control initiative proposed "a freeze on the acquisition, production and testing of surface-to-surface missiles by states in the region, with a view to the ultimate elimination of such missiles from their arsenals."

The report shows that the United States was the leading supplier of surface-to-surface missiles to the Middle East and to the Third World as a whole from 1987 to 1990. In those years, the United States delivered 6,363 such missiles to the Third World, nearly three-fourths of them to the Middle East. All the American sales involved antitank missiles.

After the United States and the Soviet Union, the biggest sellers of weapons to the Third World last year were China, with $2.6 billion worth of agreements, and France, with $2.3 billion, the report says.

The study predicts that demand for U.S. weapons will continue because their performance in the Gulf war "undoubtedly enhanced the prestige of these arms."

# MIDEAST: *Libya Offered Observer Role at Talks*

(Continued from Page 1)

walls, the minarets and the churches of the holy city of Jerusalem."

After logging more than 30,000 air miles, attending the London economic summit meeting and the Moscow summit talks and making two swings through the Middle East, Mr. Baker will report to Mr. Bush on Tuesday. He will then head for vacation at his Wyoming ranch.

Pre-conference bargaining will be held in September, with Prime Minister Yitzhak Shamir and other Middle East leaders most likely to make separate trips to Washington to see Mr. Bush and Mr. Baker. Mr. Baker is also expected to meet with foreign ministers while attending the special session of the UN General Assembly in New York.

The White House said Monday that it would make no "secret deals" to get Israelis and Arabs to attend the peace conference, but it acknowledged that secret talks were going on between the Middle East and Washington.

Marlin Fitzwater, the White House spokesman, said he thought that there could be a resolution to the Middle East conflict in the next several months if the peace talks go ahead.

"We have made no commitments on the end product," he said.

"We have made no secret deals on end results," Mr. Fitzwater added, in response to questions about whether the United States was promising anything to participants in the peace conference.

"We have said before we have not made any secret deals," he said. "But obviously we've had a lot of secret talks about these things."

Mr. Fitzwater was questioned about secret talks amid speculation that the United States might entice participants to the peace negotiations with foreign aid or promises of support during the talks.

*(AP, Reuters)*

# SLICE:

## *Insight Into Cuba*

(Continued from Page 1)

pageantry and split-second choreography, beautifully conceived and flawlessly executed.

Few Hollywood spectaculars were ever more impressive, and the immense and justified pride of Cubans in the crowd was evident on their faces.

So why can't they run a pizzeria?

Some in the Cuban government have been asking the same question, of course. The official line is that such problems are a result of a lack of education or correct Communist orientation. But those who are frank about such things concede that abominable service seems to be one of the unmistakable traits of communism, not to mention a source of nerve-jangling daily hassles.

"The only way to improve it is to privatize," acknowledges Gabriel Molina, an editor of the Communist Party newspaper Granma.

This is being discussed, party officials say. They say it is likely that at the party's congress this fall, or sometime soon after, the government will decide to permit some small service establishments, like barber shops and eateries, to work for profit, semi-independent from the state.

But that, if it happens at all, is in the future. Right now it's 8:45 P.M. at the pizzeria, and the wait has grown to an hour and a quarter.

# Soichiro Honda Dead at 84

By David E. Sanger
*New York Times Service*

TOKYO — Soichiro Honda, who defied the Japanese government and built one of the world's biggest and most innovative automobile companies, died Monday of liver failure. He was 84.

His Honda Motor Co. became a symbol of Japan's postwar industrial rise, but he was hardly typical of his generation. A fiery maverick who spoke his mind, he was always something of an outsider in his own country.

Following the strategy Mr. Honda laid out, Honda Motor Co. was the first of Japan's automakers to build its factories in the heartland of its main market, the United States.

Indeed it was in America, not Japan, that the balding engineer with the toothy smile and the razor-sharp temper met his greatest success. Taking on an American industry that in the 1970s appeared to be invincible, he won over a generation of young drivers who were drawn to the fuel efficiency and low emissions of Honda's engines. It was a generation that Detroit's Big Three never really won back.

The story of how Mr. Honda infuriated the bureaucrats of Japan's Ministry of International Trade and Industry after World War II has become one of the most oft-repeated legends of Japanese industry.

In 1946 he obtained military surplus engines, attached them to bicycles and sold them to people who needed transportation to farm areas to ward off starvation. From that emerged the Honda motorcycle, and soon Honda's own engines.

When the government bureaucrats ordered Mr. Honda to keep making motorcycles because they had drawn up plans for Japan to have only three automakers, he defied them.

He drew a simple lesson from the episode: Government officials, he said a few years ago, "tend to become an obstacle when you try to do something new."

As the company grew, so did the aura surrounding Mr. Honda. "Those of us who played supporting roles had to build a grand theater — a corporation — that would suit the leading actor," said Takeo Fujisawa, who became Mr. Honda's partner.

Indeed, Mr. Honda reveled in his David-and-Goliath approach to automaking, and in his later years he delighted in the chance to offer stinging critiques of corporate Japan and the way that it controls the lives of its workers.

Always contrary, he bristled at the most frequently offered explanation of Japan's industrial success: that its population is able to sublimate the needs of the individual to the needs of the group. Such a strategy, he argued, could never work for long.

"First, each individual should work for himself — that's important," he said in a rare interview several years ago. "People will not sacrifice themselves for the company. They come to work at the company to enjoy themselves."

Mr. Honda retired as company president in 1973 but retained the title of supreme consultant. His interest in cars was so intense that even in his last days he liked to wander Honda's research and development labs, inspecting the work of new engineers and seeking explanations for things he did not like.

He also had a long involvement in motorcycle and automobile racing.

When Honda cars lost some key races on the Grand Prix circuit recently, the man known as *Kamin-ari-san* — Mr. Thunder — arrived at the research and development laboratory where Honda does much of its engineering and grilled the company's executives.

"He hated to lose," said Shoichiro Irimajiri, who ran Honda's American manufacturing operations through the 1980s and who today is the head of the company's research and production.

Few forget their awe and fear of Mr. Honda. Mr. Irimajiri remembers that as a young engineer in the mid-1960s, he once designed a special piston for a race car, one with thin walls.

"Theoretically it should have worked," Mr. Irimajiri said ruefully today. In reality, it blew up.

Mr. Honda ordered the engine reconstructed and soon found the culprit.

"When he heard that I had based the new piston on a theory I learned in school, he got very angry," Mr. Irimajiri recalled. "'You had experienced engineers around you,' he said, 'but did you ever ask them whether this was possible?'"

Mr. Irimajiri conceded that he had not, and on orders from Mr. Honda he walked through the tooling shops, bowing and apologizing profusely.

"I looked behind me," Mr. Irimajiri recalled, "and he was following my every step."

Christiane Duhau's friends at the IHT share in her grief at the death of her sister, Pierrette Duhau, Saturday Aug. 3.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# Americans in Paris Seek Faces of the Future

By Alexander Lobrano

PARIS — When their Paris office opened in May, the Ford family — faces, not cars — not only inaugurated the first American modeling agency in Paris, they also took a classic American dictum and turned it inside out.

According to their view of the world today, "Go West, young man," no longer applies. Now, it's "Go East, young woman" — which is exactly what Katie Ford, 35, did when she moved to Paris from New York to run the agency's new branch on Rue de Rivoli.

Gathered in their main office around a large circular black matte desk dotted with ringing telephones, Eileen and Jerry Ford, in town for a visit, and Katie, their daughter, were unanimous in their verdict on Paris. By 1992, Eileen said, "there won't be anything else."

"Everyone will be here, even the Americans. Oscar de la Renta led the way, and now Bill Blass is thinking of showing here, too. You may even see a day when American buyers come to Paris to see the American collections," said Eileen Ford, 70, who was wearing a handsome red-and-white print suit by the same designer.

As the founders of the eponymous 45-year-old company that is the largest and most successful modeling agency in the United States, with billings last year of $42 million, and head offices in New York and other branches in Tokyo, São Paolo and Miami, the Fords foresee a day when their Paris office will have a larger annual turnover than the home office.

For this reason, they're not only planning to import their stars — both long-running talents like Cheryl Tiegs and Christy Brinkley, and recent superstars like Christy Turlington, Rachel Williams, Elle MacPherson and Rachel Hunter — but also developing a new stable of Paris-based models.

In the recent haute couture shows, three Ford models were seen on the Paris runways: Turlington, MacPherson and Naomi Campbell. It's a beginning.

And where are the best faces coming from these days? According to Katie Ford, "Czechoslovakia, Poland, Hungary and Spain have all been very good recently."

Katie Ford sees Paris as entering a new period of artistic creativity, focusing on interior design, photography and architecture, and this, she says, is having an impact on the type of model most in demand today.

"The zeitgeist of this design movement is a reference to the classical with a clean, modern look. Sort of the style of the '30s and '40s but more modern. The way that this is reflected in modeling is the demand now for big-eyed, full-lipped classical type beauties but — and here's the modern difference — with honey-colored skin.

"Five years ago, it was very different. There was a great demand for unusual looking girls. Today it's classical girls with rounder bodies, who are sexy and not distant, that are sought after."

The design of the agency's new offices by Paul Matthieu and Michael Ray echoes Katie Ford's commitment to the new French style that has been pioneered by Philippe Starck and Andrée Putman. Matthieu and Ray, a Paris-based French-American design team, use natural materials, assymetry and familiar idioms taken out of context to create a space that speaks strongly of dynamic contemporary style.

Attesting to the novelty of their designs and the emergence of a new aesthetic in the family business, Jerry Ford confesses that he initially thought the burlap wall skirts in the offices had been left behind by the movers. Katie Ford grins, but for her this design, and Paris are serious.

"The most important thing about the creativity here is that it feeds me. In my business I have to be where I can feel what's coming, what's going to be important and strong in fashion, since this translates into faces," says Katie, who has settled into the Marais neighborhood of the city. "I love it there. There's a certain life and spark. There's a pulse. It's like the Village in New York in a way. It's where you can feel the creative beat of Paris."

In Paris, Katie will continue the tradition of carefully grooming the talent she is constantly prospecting for. Her parents' method of having young models live with the family in their New York townhouse so that they learn to be poised, disciplined and also, says Eileen Ford, "how to eat artichokes," will, however mostly be applied to Americans and East Europeans in Paris.

"Because of the American educational system, many of the American girls arrive in Europe and walk around with a sort of veil between themselves and their surroundings," Katie Ford said. "I have to get them to drop this veil or they won't relate to people and their work. They don't have much time to make it, so we have to teach them how to be modern, how to dress and shop and talk to people.

"For example, one girl from California showed up the other day looking like a secretary, so we had to take her from a white silk blouse and high heels to a short skirt, a Pucci-print top and plain pumps." She pauses to eye a long-legged black-haired beauty who has just come through the door.

"Now *she* looks wonderful," Ford says, and when the young woman starts speaking, in French, she nods knowingly. "In France, how a girl presents herself is very important, much more important than it is in the United States and some of the other European countries. So a lot of my work here will be to help foreign girls come up to par in Parisian terms — and, needless to say, I find this very challenging."

*Alexander Lobrano is a free-lance writer based in Paris who contributes regularly to European Travel & Life and Elle, among other publications.*

*Ford models on runways, from left: Christy Turlington for Valentino, Elle MacPherson in a Dona Karen and Rachel Williams for Mugler.*

Christopher Moore (4)

*Another supermodel, Linda Evangelista, in a Dior.*

# Saving a Pioneer Fuller House

By Nancy L. Ross
*Washington Post Service*

WASHINGTON — The only surviving version of R. Buckminster Fuller's Dymaxion house, a futuristic aluminum dwelling built in 1946, sits like an abandoned flying saucer in a Kansas field. Yet recently two parties have been negotiating to restore it and send it on tour. They are the Buckminster Fuller Institute in Los Angeles and Richard Chenoweth of Washington.

Intended as a model of affordable housing and a source of jobs after World War II, it was never put into production. The only two prototypes constructed were bought by the late William L. Graham of Wichita in 1948 and have remained in the family ever since. Parts of the second are in a warehouse.

Fuller, a multifaceted inventor and visionary who later gained popular recognition for his geodesic dome, designed his first hexagonal metal dwelling in 1927. The 1946 Dymaxion, known as the Wichita house, was a lightweight, portable structure that provided 1,075 square feet (about 100 square meters) of living space at a cost of $6,500 then. The term Dymaxion combined Fuller's favorite words: dynamic, maximum and ion. (He also designed a Dymaxion car.)

The structure, built at the Beech Aircraft factory in Wichita, consisted of a circular frame suspended from a mast and sheathed in aluminum and Plexiglas — a new material at the time. Measuring 36 feet (11 meters) in diameter and 16 feet high, the building's tentlike interior was divided into a living room, kitchen, two bedrooms and two baths.

Many forward-looking features were contained in the house such as water recycling — only a pint (about half a liter) was needed per shower — natural air conditioning through the ventilator at the dome, revolving storage shelves and a pneumatic vacuum system that made it virtually maintenance- and repair-free.

Graham, who shared Fuller's ideas about low-cost housing, and his family lived in the prototype for more than two decades. The house has been vacant for 15 years.

Jack Graham, 40, who lived there as a child, recalled that the Round House, as they called it, was "fun."

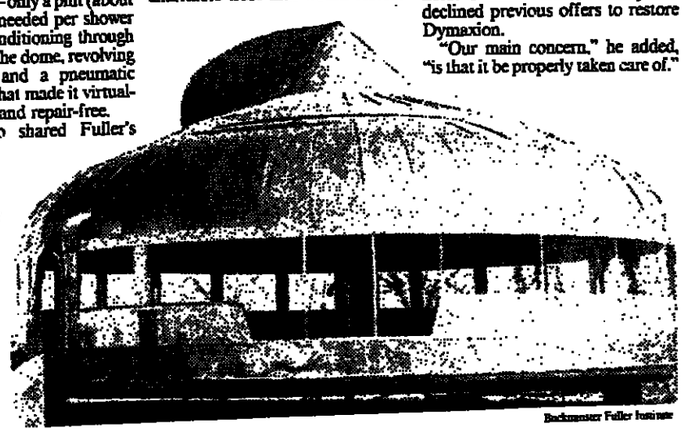
"We ran laps around it," he said.

Chenoweth, 33, who works for an architectural firm, first saw the house in 1989. He said he had proposed to the Graham siblings that they donate the building to a charitable trust that would restore it, turn it into a Wichita-based museum and mount traveling exhibits.

The Fuller Institute would also renovate and exhibit, said the project director, Donald G. Moore, although it is not committed to keeping the house in Wichita. Chenoweth estimated the cost at $100,000 to $300,000, but Moore thought it might cost more. Both would seek grants and donations.

Moore said negotiations with the family were in the final stages. Chenoweth said his project was on hold. Graham said the family had declined previous offers to restore Dymaxion.

"Our main concern," he added, "is that it be properly taken care of."



*Fuller's Dymaxion house.*

Buckminster Fuller Institute

## STYLE MAKERS

### Gerd Verschoor

*CREATIVE RECYCLING*

*New York Times Service*

WAINSCOTT, New York — They assembled on a misty morning at Sapore di Mare, an Italian restaurant in this village in the Hamptons area of Long Island, to "create an original centerpiece" under the guidance of the collagist Gerd Verschoor.

Among the first to arrive were Ellen Malaboff, who said she was in the floral-arrangement business ("I do centerpieces in Oyster Bay, but these days people want something different") and Idee Schoenheimer, a Manhattan antique jewelry dealer. Glue guns on white-linen-covered tables awaited Verschoor's arrival.

"The maestro told me to clean lobster, clam and oyster shells," said Kristen Dell'Aguzzo, who is in charge of the restaurant's continuing education activities. "We had lots of them. Cacciucco Toscano, a spicy seafood stew, is a favorite dish on the menu."

Soon Verschoor arrived with two more students for the four-hour class: Mirella Virgili, a painter, and Valdo Silva, a waiter.

"What I want to teach is how to have that 'third eye,'" said Verschoor, a sculptor and floral and furniture designer whose book on collages, centerpieces and sculptures will be published in February by Stewart Tabori & Chang. "It's about creative recycling. The subtitle is 'Composing With Nature.'"

Verschoor, who moved to New York from the Netherlands in 1988 and describes himself as "45 and not settled yet," is used to picking up what others leave behind.

He has come back from Nevada with tumbleweeds, and recently he flew back from Florida with 50 plastic bags filled with dried fish and shells as well as a couple of rusted Eames chairs.

"Don't think about it until we get back," he admonished. "Just put everything in the bags. A piece of plastic might look worthless, but the influence of nature makes it into something different."

The hunt began at a leisurely pace, but after a few minutes, a fever akin to that of collectors at a flea market seemed to overtake the class. Malaboff snared a pair of eyeglasses, Silva spied some broken crockery, Schoenheimer got some dried branches and Virgili scooped up mounds of seaweed.

The pace quickened as people reached virgin territories. "What is important in collecting," said Verschoor, holding up a corn cob, "is to renounce the knowledge of what you see. Forget what it is."

Back at the restaurant, Verschoor instructed his class to organize their findings on the floor and to start by tying bunches of seaweed into thin bundles. "It's one thing to work with nature; it's another to organize it," he said.

Juxtaposing different materials and objects is Verschoor's forte. On the bar at Sapore di Mare stood a towering construction of shells, dried cabbage, seaweed, Chinese mushrooms, dried limes and wheat. "I added plain wood shingles for the brutal effect," he said.

"People expect flowers to make the ambience," he said, "but for the last couple of years, I've worked a lot with potatoes. You can design, design, design, but the potato is pure earth. And what can you do without earth?"

Potatoes are a staple in the monumental freestanding sculptures he makes for Le Madri, a restaurant in the Chelsea section of Manhattan owned by Pino Luongo, who also owns Sapore di Mare. The displays at Le Madri change weekly.

He was particularly pleased when he heard that Richard Meier, whom he called "the big architect," had lunched at the restaurant and asked for his telephone number. "He laughed at the combination of boxes and potatoes; I guess it was very architectural," Verschoor said.

Last spring Verschoor was the star performer in the windows of Barneys New York. He strewed white carnations all over the floor, then walked over the flowers wearing a pair of shoes with bright pink neon laces. As usual, there was a message. "That was to say, 'We walk in nature, but we don't care too much and we don't really know how we destroy nature,'" he said. "That was my protest."

Even Verschoor does not expect a work of art to last forever: "Sometimes I throw it all out. Art does not have to endure."

Suzanne Slesin

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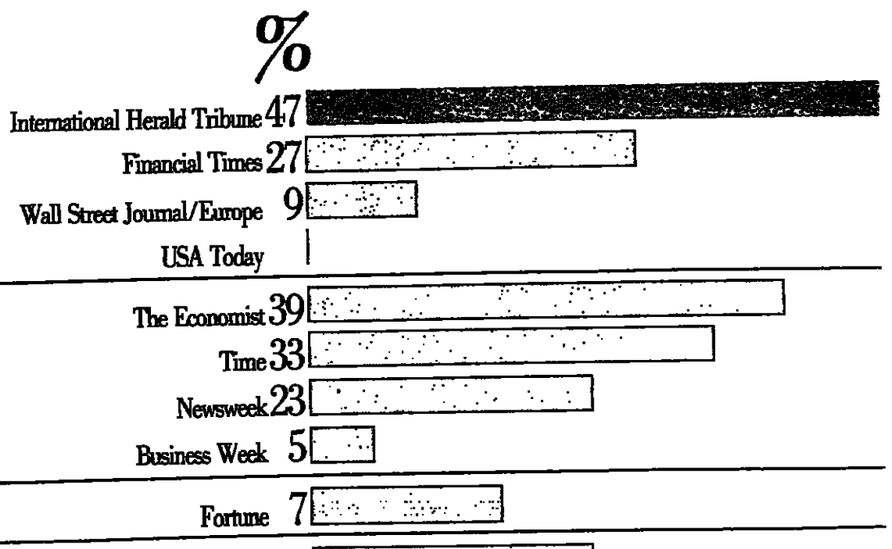


The IHT is read by more Continental European government and political leaders listed in the international edition of Who's Who than any other international publications.

* Source: Who's Who in Europe Survey: 1990

Herald International Tribune
Published With The New York Times and The Washington Post

# NYSE

## Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on page 12)

## NYSE Highs-Lows

NEW HIGHS 79

| | | | |
|---|---|---|---|
| Ambacinc n | Aquarion | BattBcp | Briggs Strat |
| CaesarsWrld | CarterWall | CedarFair | CenHud Gas |
| CentSoBc | ChileTel | Chiquita | CmwlSvFn |
| CocaCola | Conrail | CooperTire | DeltaWood |
| DominResc | EmpDist El | EnSilus s | FstFinFd |
| FtNorstr pf | FreepMcM | FreepMcM pf | GTE 2475pf |
| GenAm Inv | GnNaStrE s | GaPw adl pf | GINorIran |
| GtWFn pf | HilhmBnd | HousInt 625 | Housind |
| Ill Power | IntrstPw | KansCityPL | KCPL 220pf |
| KeycpPfB | LacledeGas | Lasmon | Lukens |
| MeasrEast n | MAWste s | MorasSt pf | NatEdu |
| NHHillLab | NtI pf | NatwHillPr | NYS 880pf |
| NiM 610pf | NevaNard | NyCoISIGI n | NwNtMMO |
| PNC Fnc | PattenCo | Pfizer s | PhilVenH |
| PlayboyEnA | PlayboyEnB | PreIdInco n | Premark |
| Questar s | RitWRet Tr | RollnLease | Rubermd |
| SCEcorp | Solamn pf | SealdAir n | Smucker |
| SpgWire | SusrVaIu | Superind s | USX-USS n |
| ValueCity n | VisaroCo n | WMS Ind | Wabanlnc |
| WolMt | WhitIakr n | Xerox 368pf | |

NEW LOWS 9

| | | | |
|---|---|---|---|
| AmSvBkNY pf | FAI Insur | Fansteel | LivsEnt pf |
| SuaveShoe | TWA pf | Transco pf | USFG pf C |
| WstnWsle | | | |

## AMEX Highs-Lows

NEW HIGHS 22

| | | | |
|---|---|---|---|
| AmTr-to sc | Astrotech pf | Bushind | CanDecIn |
| ChmbDvE s | GenAuto | HubelA | HubelB |
| Kinark Cp | LilHdAg | Medchem | MidAmBc |
| NvmNYMu n | PGE 125stE | PGE 237pfR | SCE 145pf |
| Temco wt | Tarlon | Tronzac | TronzcB n |
| TwoPesos | UniHt | | |

NEW LOWS 7

| | | | |
|---|---|---|---|
| AmTr-ek sc | CmntyNtBc s | ExpILA | ForumRetr |
| Jupitrind | Scanelnd | TurnerCo | |

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Herald Tribune (International)

# BUSINESS / FINANCE

** TUESDAY, AUGUST 6, 1991



## INTERNATIONAL STOCKS

## Mexican Market Surges But Can It Be Sustained?

By Tim Golden

*New York Times Service*

NEW YORK — In struggling to see the future of the stock market in Mexico, investors abroad have faced an unusual quandary: not only has the market's trajectory been steadily upward, its pace has quickened. For those who turn to the closed-end funds that invest in Mexican stocks, their steady ascent raises questions about how long the dizzying growth can be sustained.

So far, there are few signs of a pause. After grabbing attention with its generally strong performances in 1988, 1989 and 1990, for example, the 10-year-old Mexico Fund, managed by a Mexico City investment firm, has jumped an additional 78 percent so far this year.

**'For the long run, the Mexican market remains extremely attractive.'**

And after sputtering debuts in the second half of last year, two New York-based funds that invest in Mexican stocks have hit their stride.

The Emerging Mexico Fund, which includes some unlisted companies and second-tier stocks as well as some of the best-known companies on the Bolsa, as the Mexican market is called, has climbed 79.5 percent this year. At the end of June, it ranked fourth — just above the Mexico Fund — on a list of top-performing country funds compiled by Thomas J. Herzfeld, a Miami investment analyst.

"The fact that the local market was up 73 percent in dollar terms in the first six months of the year means that a lot of the good news is already in," said William Dinning, an analyst at Paine Webber Inc., the lead underwriter of the Emerging Mexico Fund. But Mr. Dinning and other analysts say that does not mean investors should now look elsewhere. Instead, they say, investors should begin looking at Mexico differently.

"To go in at this point — at least if you have a short-term perspective — is not that attractive," said Antoine W. van Agtmael, president of Emerging Markets Management in Washington. "But for the long run, the Mexican market remains extremely attractive."

CONCERNS ABOUT MEXICO have not disappeared. The current account deficit has risen steadily, to a projected $7 billion this year from $1.7 billion in 1986. And even though the government has continued its slow mini-devaluation of the peso, some economists still consider it overvalued.

Still, the developments that have sparked foreign interest in Mexico have not been merely frequent, analysts say, they have been fundamental.

As President Carlos Salinas de Gortari has sold off state companies and loosened restrictions on foreign investment, he has nearly closed the budget deficit. And inflation has been falling, down to 29.9 percent last year from 160 percent in 1987. This year the inflation rate is expected to slip below 20 percent.

While bankers have not forgotten about the roughly $80 billion that Mexico owes abroad, the debt has meant relatively little to investors since early last year, when Mexico became the first Latin American debtor nation to embrace the U.S. Brady Plan, making economic changes as its debt is reduced and revamped.

More encouraging news has come this year from Washington, where Congress has voted to give the Bush administration "fast track" authority to negotiate a free-trade agreement with Mexico.

Mexico's stability has already drawn more institutional investors to both the closed-end funds and to Mexican blue-chip stocks like the state telephone company, Teléfonos de Mexico, known as Telmex; Cemex, Mexico's leading cement company, and Kimberley-Clark de Mexico.

But to some investors with longer experience in Mexico — players who boast of having bought what are now nearly $4 shares of Telmex at less than one-tenth that price three years ago — stabilization means the time has come to look elsewhere.

"The guys like me who were looking at Mexico five years ago are now looking at Argentina and Brazil," said Charles H. Brandes, a San Diego investment adviser.

# Impasse on EC Farm Aid Dims Hopes for GATT

By Keith Bradsher

*New York Times Service*

WASHINGTON — A continued stalemate between the United States and Western Europe over agricultural subsidies is making the completion of a new global trade agreement increasingly unlikely this year, administration officials and private trade experts say.

Indeed, the inability of negotiators to agree on new cuts in trade barriers could make it hard for the Bush administration to win congressional approval for an agreement before next year's elections.

At stake is the opportunity to set global rules for trade that could influence world economic growth into the next century. The question of how to approach agriculture in the talks under the General Agreement on Tariffs and Trade has bedeviled American negotiators since the current round of negotiations began in Uruguay in 1986.

At the Group of Seven economic summit meeting in London last month, the G-7 leaders pledged that they would personally try to ensure the successful completion this year of the Uruguay Round of talks.

But the round was scheduled to end last year, and the summit meeting last summer in Houston produced similar expressions of commitment to free trade, without any real compromises.

Even the United States trade representative, Carla A. Hills, a longtime optimist, sounded a gloomy note at a news conference Wednesday in Hungary. "I think that it is going to take four, five, or six months after we see movement in agriculture to wind up the other 14 areas" of negotiations, Reuters quoted Mrs. Hills as saying.

"So it is possible, but probably not likely, that we would finish precisely on Dec. 31, but I think it is very, very important that we complete our discussion very, very soon thereafter," she added.

Mrs. Hills had just come from Brussels, where the day before she and Edward R. Madigan, the U.S. agriculture secretary, had met with their two European Community counterparts. The meeting produced no agreements on how to approach the Community's domestic and export subsidies for agricultural products.

The United States and other leading grain exporters have sought the virtual elimination of these subsidies, saying they encourage excessive, inefficient, and environmentally destructive production while depressing world prices.

But European countries, led by France, have opposed a reduction in subsidies because such a move could lead to demonstrations, contribute to rural unemployment, and make current EC agricultural policies even more expensive.

The export subsidies have the paradoxical effect of limiting the cost of the Community's agricultural programs. The subsidies allow food bought from farmers at high, fixed prices, to be resold for part of its current price instead of sitting in warehouses and not being sold at all.

Both the GATT negotiations themselves in Geneva and consultations within the European Community on a compromise position have now been put on hold during August, when many officials go on vacation.

The critical question for many years has

See GATT, Page 12

# German Jobless Increase

## *A Million in East Are Out of Work*

*Reuters*

BONN — The number of people out of work in Eastern Germany exceeded one million in July, but the monthly rise was lower than expected because of job-creation programs and more employment in the building and services sectors, government sources said Monday.

The sources said 225,000 East German workers lost their jobs in July, boosting the overall jobless level in the depressed eastern region to 12 percent from 9.5 percent.

The Federal Labor Office, which will Tuesday release official jobless figures, declined to comment.

The sources said the total number of unemployed East Germans reached 1.07 million, up from 843,000 in June.

But they noted the increase was sharply below early forecasts that 600,000 workers would lose their jobs as one-year no-layoff agreements expired.

Economists had initially painted a gloomy picture of the East German labor market in July, predicting a new surge of unemployment in the key metal and chemical industries.

The powerful IG Metall trade union had forecast that 600,000 East Germans would lose their jobs, a prediction echoed by many economists.

But Heinrich Franke, head of the Federal Labor Office, calmed fears last week when he said roughly half the newly jobless workers had found spots in training programs, job-creation programs and through employment agencies.

The unemployment rate in Western Germany also rose during July, with 100,000 workers losing their jobs as the pace of economic growth in the western economy slowed, they added.

They said the total jobless number in Western Germany reached nearly 1.7 million after 1.59 million in June, with the unemployment rate rising to 6.3 percent from 5.9 percent.

Ursula Engelen-Kefer, deputy president of the DGB umbrella group for Germany's trade union movement, called for greater investment in the East by West German firms.

She said the July rise in unemployment was "cause for concern."

Increasing unemployment in Western Germany is "the first warning signal that economic growth there is slowing," she said.

# Chase Sells $2.2 Billion In Assets of Lease Unit

*Compiled by Our Staff From Dispatches*

NEW YORK — Chase Manhattan Corp. said it had completed sales or reached agreements in principle to sell substantially all the U.S. and Canadian assets of Chase Manhattan Leasing Co., worth about $2.2 billion.

It said the sales do not affect Chase's business of arranging big-ticket lease financings for commercial aircraft or other transportation equipment and capital projects.

Chase established a provision for these transactions during the second quarter.

The transactions include the sale of $1.1 billion in assets of Chase's Technology Equipment Finance Division to GE Capital Corp. of General Electric Co.; the sale of $900 million in assets of Chase Manhattan Leasing Co. of Buchanan, Michigan, to Associates Corp. of North America; the sale of $130 million in assets of Chase Aircraft Finance Co. of Lakeland, Florida, to CIT Group Equipment Financing Inc.; and the sale of $80 million in assets of Chase Manhattan Leasing Canada Ltd. to Confederation Leasing Ltd.

Associates Corp. is part of the financial services group of Ford Motor Co.

Terms of the sale of the $900 million in assets to Associates were not disclosed, but an Associates spokesman said the transaction will be in cash.

The leasing company employs about 200. It provides financing and leasing services for lift trucks and construction equipment.

(Reuters, UPI)

# *Antwerp Diamonds Lose Cutting Edge*

By Charles Goldsmith

*International Herald Tribune*

ANTWERP — Europe's diamond-cutting capital, faced with a shortage of skilled craftsmen because of age, is taking creative new steps to lure young people into the business and preserve intricate techniques handed down for dozens of generations.

Antwerp remains the world's leader in diamond turnover, with $16 billion last year, followed by Israel, India and New York, although the Indian industry based in Bombay is rapidly catching up.

"My father was in the diamond business and I've loved this business since I was 15 years old, but the young people today instead want to sit in a computer office or some other business," said Abraham Fischler, 66, president of Antwerp's Diamond High Council. "We had to do something."

Alarmed by a survey showing a rapidly aging workforce, with few new entrants, the industry trade group is offering financial incentives allowing young people to get started in the business and for teachers to travel around the world to learn the latest laser technology.

About 4,000 people are now employed in Antwerp's 500-year-old diamond-cutting industry, but up to 400 people a year are retiring and only 90 entered the trade in 1989. Advertisements are credited with boosting newcomers to 150 last year, and the industry hopes to double that number in the next few years.

"Antwerp has skills in diamond cutting which cannot be found anywhere else in the world, and they should be maintained," said Howard Vaughan, a top officer of the London-based Central Selling Organization, a marketing group representing 80 percent of the world's rough diamond trade.

Most diamonds are octahedral, with two pyramids stuck together, one up and one down, but Antwerp is known for a rare skill in cutting the complex maccle diamond.

"In the maccle, the grains in the left piece and the right piece go in different directions, so it's very difficult to cut," said Hans Wins, 61, a fourth-generation diamond cutter.

Today's generation, with more options available, seems less interested in mastering the maccle.

"It used to be that 99 percent of the Jewish people in Antwerp went into diamonds, but now they do textiles and everything else," said Herschi Steinmetz, 36, who trained as a diamond cutter but now runs a kosher catering business. "At one time, if somebody went into something besides diamonds, they were considered somebody new who didn't have connections."

Changes in Belgium's economy have helped to remove that stigma. The northern, Dutch-speaking part of the country, which includes Antwerp, has prospered in recent decades at the expense of the French-speaking south.

"The diamond industry faces tough competition for labor in the Antwerp area," said Roger van Eeghen, of the London-based diamond group. "The port is growing, there are

See GEMS, Page 12

# Tighter Loan Rules Likely for U.S. Banks

By Richard D. Hylton

*New York Times Service*

NEW YORK — Restrictions on bank loans for real estate projects, which were removed in 1982, are likely to be reimposed, a number of senators and the head of the U.S. bank insurance fund say. The curbs would be added even as commercial real estate values continue to decline, more banks totter near insolvency and once-wealthy developers face bankruptcy.

Members of the Senate Banking Committee decided Friday to give regulators nine more months to devise new restrictions on real estate lending, after which Congress is likely to be asked to put the rules into law. The House had already passed similar legislation.

In a little-noticed amendment to the banking-overhaul bill that was approved Friday by the committee, Senator Timothy E. Wirth proposed reimposing the strict loan-to-value lending rules that were lifted when the Garn-St Germain Act was passed in 1982, deregulating banks.

On Friday, Mr. Wirth, Democrat of Colorado, and Senator Jake Garn of Utah, the ranking Republican on the committee, struck the compromise that grants government regulators the nine months to come up with the new restrictions on real-estate lending by banks. Congress then began its summer recess, leaving the Senate vote on the bank-overhaul bill until after the lawmakers return in the fall.

The restrictions in Mr. Wirth's amendment will become part of the law if regulators from the comptroller of the currency's office, as well as from the Federal Deposit Insurance Corp. and the Treasury Department, are unable to agree on new lending guidelines within the nine months.

The Wirth amendment dictates that bank loans backed by commercial real estate cannot exceed 80 percent of the value of that real estate. If the property is only partly developed, the lending limit would be 70 percent. For undeveloped land, the loan limit would be 65 percent of the appraised value.

Some banking executives and members of Congress, and L. William Seidman, who is chairman of Resolution Trust Corp. and the Federal Deposit Insurance Corp., say that adopting many of the previous regulations, perhaps with some refinements, will help prevent banks from repeating the lending mistakes they made in the 1980s.

Yet the White House and many top legislators and regulators — as well as most bankers — oppose reviving strict regulations on real estate lending. Rather, they say, what is needed is more intense and consistent oversight by regulators.

In 1982, the Garn-St Germain Act lifted the restrictions that limited what percentage of a real estate project's value banks could lend against and on what kinds of property they could lend. Now many people say that this

See BANKS, Page 10

## CURRENCY RATES

### Cross Rates

Aug. 5

| | $ | £ | D.M. | F.F. | Lira | D.Fl | B.F. | S.F. | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.939 | 3.333 | 1.1294 | 0.3313 | 0.1507 * | — | 5.472 * | 1.2943 | 1.4192 * | 1.686 | 1.799 * |
| Brussels | 35.70 | 60.57 | 20.596 | 6.056 | 2.756 * | 18.273 | — | 23.70 | 0.2600 | 31.24 | 32.007* |
| Frankfurt | 1.7355 | 2.94 | — | 0.2909 | 0.1338 * | 0.887 | 4.855 * | 1.1491 | 1.2655 * | 1.5086 | 1.596 * |
| London (a) | 1.7075 | — | 2.9386 | 9.9851 | 2,193.50 | 3.318 | 60.52 | 2.5614 | 232.465 | 1.9597 | 184.10 |
| Madrid | 108.685 | 183.971 | 62.632 | 18.41 | 8.375 * | 55.554 | 3.0404 | 71.953 | 79.214 * | 94.509 | — |
| Milan | 1,290.25 | 2,197.80 | 747.73 | 219.70 | — | 663.27 | 36.299 | 859.35 | 9.463 | 1,128.88 | 11.94 |
| New York (b) | — | 1.7108 a | 1.7175 | 5.8435 | 1,285.00 | 1.9353 | 35.375 | 1.4965 | 136.65 | 1.1496 | 107.50 |
| Paris | 5.908 | 9.9995 | 3.4022 | — | 0.455 * | 3.0178 | 0.1659 | 3.9093 | 4.305 * | 5.135 | 5.431 * |
| Tokyo | 137.25 | 232.57 | 79.17 | 23.38 | 0.1057 | 70.22 | 3.8445 | 91.14 | — | 119.37 | 1.2646 |
| Toronto | | | | | | Closed | | | | | |
| Zurich | 1.507 | 2.5613 | 0.8711 | 0.256 | 0.1155 * | 0.7729 | 4.2067 * | — | 1.0999 * | 1.3060 | 1.2007* |
| 1 ECU | 1.1871 | 0.6984 | 2.0513 | 6.9785 | 1,524.35 | 2.3136 | 42.2540 | 1.7856 | 162.180 | 1.3594 | 128.475 |
| 1 SDR | 1.3379 | 0.7889 | 2.3219 | 7.9025 | 1,737.09 | 2.6175 | 47.8363 | 2.0716 | 183.692 | 1.5281 | 145.489 |

*Closings in Amsterdam, London and Zurich, fixings in other centers; New York and Toronto rates at 3 p.m.*

*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

### Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argen. austral | 9925.0 | Greek drac. | 191.25 | Mex. peso | 3034.51 | S. Afr. rand | 2.8617 |
| Austral. $ | 1.2837 | Hong Kong $ | 7.762 | N. Zealand $ | 1.7437 | Soviet ruble* | 0.5994 |
| Austr. schil. | 12.22 | Indian rupee | 25.974 | Norw. krone | 6.782 | Swed. krona | 6.301 |
| Brazil cruz. | 353.70 | Indo. rupiah | 1955.03 | Phil. peso | 27.00 | Taiwan $ | 26.53 |
| Chinese yuan* | 5.3471 | Irish £ | 0.6494 | Port. escudo | 148.65 | Thai baht | 25.48 |
| Danish krone | 6.73 | Israeli shek. | 2.2946 | Saudi riyal | 3.75 | Turkish lira | 4381.01 |
| Egypt. pound | 3.2977 | Kuwaiti dinar | 0.2916 | Sing. $ | 1.7295 | UAE dirham | 3.672 |
| Fin. markka | 4.181 | Malay. ring. | 2.782 | S. Kor. won | 727.50 | Venez. boliv. | 59.60 |

*New York rates unless marked * (local rate.)*

### Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.6847 | 1.6705 | 1.6716 | Canadian dollar | 1.1524 | 1.1551 | 1.1577 |
| Deutsche mark | 1.7419 | 1.7467 | 1.7521 | Japanese yen | 137.37 | 137.54 | 137.69 |
| Swiss franc | 1.5147 | 1.5173 | 1.5197 | | | | |

*Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.*

# *Japan's New Finance Czar No Longer Sees U.S. as Model*

By James Sterngold

*New York Times Service*

TOKYO — When Tadao Chino won a scholarship to study economics at Stanford University during Japan's dark postwar years, he jumped at the chance.

"The United States was the model of success that Japan had to learn from," he recalled.

Now Mr. Chino, 57, takes a far different view of the country he once idolized.

He is the newly appointed vice minister of finance for international affairs, which makes him the top financial policy maker for the world's largest creditor nation.

He promises to chart a course that is defiantly independent from the United States.

Mr. Chino indicated that Japan would become even more assertive in pushing its financial objectives, whether in the World Bank, among the Group of Seven industrial democracies or in trade negotiations with the United States.

A genial, cautious man, Mr. Chino is at the head of a generation of Japanese that reshaped Japan's international financial policy, much as the Ministry of International Trade and Industry developed and implemented Japan's industrial strategy.

These financial experts seek to assure that the tens of billions of dollars in capital Japan sends abroad every year — to buy everything from U.S. Treasury bonds to Hollywood movie studios — contribute to the government's policy goals and strengthen Japan's economy.

In perhaps his most significant comment, Mr. Chino said Japan wanted to transform its substantial foreign aid into a magnet for private capital.

Japan will increasingly use its aid, he said, as seed money to attract Japanese manufacturers or other industrial concerns with an attractive investment environment.

It is an ambitious program that could encourage more developing countries to adopt economic policies similar to Japan's, in which the government works closely with industry to increase exports under the aegis of large corporate groupings.

"This represents new thinking," he said. "We are fully committed to this change."

In an interview, Mr. Chino outlined a range of other issues on which Japan intended to exert its considerable financial influence, among them the following:

- He insisted that the *keiretsu*, Japan's groupings of industrial companies, had many positive features and that Japan was unlikely to bend to American demands that they be changed. Mr. Chino disputed assertions by U.S. trade negotiators that they exclude foreign competition and engage in unfair practices.
- He said he would fight the U.S. policy of forgiving some of the debt of friendly countries, like Poland and Egypt.
- He said the Soviet Union would receive no financial aid from Japan until it clarified the relationship between the central government and the republics, reformed its economy, returned a group of northern islands seized from Japan in the waning days of World War II, and reduced its military presence in Asia.
- He said that while Japan would contribute aid to Eastern Europe, it was more interested in Asian countries as a low-cost manufacturing base.

In the Japanese system, the finance minister is a political appointee. The vice minister, the highest career post, tends to be more intimately involved in shaping long-range policy and implementing it.

Japan's huge capital outflows are a loose end that the Finance Ministry wants to tie up and channel more carefully.

Thus, countries whose policies Japan favors would stand to gain not just from government-to-government assistance, but from billions of dollars in investment from Japan's industrial groups in the form of real estate developments, manufacturing plants and large purchases of securities.

"The purpose of recycling is to stimulate and assist private capital flows," Mr. Chino said, referring to the process of Japan's investing its huge trade surpluses abroad.

In one area at least, Mr. Chino advocated less change. In Japan's current stock market scandal, there have been demands that the Finance Ministry end its paternalistic system of regulating the financial markets.

He said people should not forget Japan's special history and the fact that the current system has worked well for most of the postwar era.

"I don't like a society that requires so many people to watch everything," Mr. Chino said. "I like a more cooperative society with a smaller number of regulators."

## INTEREST RATES

### Eurocurrency Deposits

Aug. 5

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU | SDR |
|---|---|---|---|---|---|---|---|---|
| 1 month | 5 [illegible]-5 [illegible] | 9-9⅛ | 7 [illegible]-7 [illegible] | 10 [illegible]-11 | 9 [illegible]-9½ | 7 [illegible]-7½ | 9 [illegible]-9 [illegible] | 7 [illegible] |
| 2 months | 5 [illegible]-5 [illegible] | 9⅛-9[illegible] | 7⅝-7¾ | 10 [illegible]-11 | 9 [illegible]-9½ | 7⅝-7 [illegible] | 9⅝-9¾ | 7 [illegible] |
| 3 months | 5 [illegible]-5 [illegible] | 9[illegible]-9⅜ | 7⅝-7¾ | 10 [illegible]-11 | 9⅜-9 [illegible] | 7 [illegible]-7½ | 9 [illegible]-9 [illegible] | 7 [illegible] |
| 6 months | 6-6⅛ | 9 [illegible]-9 [illegible] | 7 [illegible]-7 [illegible] | 10¾-10⅞ | 9½-9 [illegible] | 7 [illegible]-7¼ | 9 [illegible]-10 [illegible] | 7⅝ |
| 1 year | 6[illegible]-6⅜ | 9½-9⅝ | 7¼-7⅜ | 10⅝-10 [illegible] | 9 [illegible]-9¾ | 6⅞-7 [illegible] | 10-10⅛ | 7¾ |

*Sources: All Reuters except ECU: Lloyds Bank.*

*Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

### Key Money Rates

Aug. 5

| | Close | Prev. |
|---|---|---|
| **United States** | | |
| Discount rate | 5½ | 5½ |
| Prime rate | 8½ | 8½ |
| Federal funds | 5¾ | 5⅝ |
| Com. paper 30-179 days | 5.80 | 5.80 |
| 3-month Treasury bills | 5.49 | 5.46 |
| 6-month Treasury bills | 5.56 | 5.53 |
| 1-year Treasury bills | 5.67 | 5.68 |
| 30-year Treasury bond | 8.23 | 8¼ |
| 2-month CD's | 5½ | 5½ |
| 3-month CD's | 5½ | 5½ |
| **Japan** | | |
| Discount rate | 5½ | 5½ |
| Call money | 7 7/16 | 7½ |
| 1-month interbank | 7 11/32 | 7 11/32 |
| 3-month interbank | N.Q. | — |
| **Germany** | | |
| Discount rate | 6½ | 6½ |
| Lombard rate | 9.00 | 9.00 |
| Call money | 9.00 | 9.00 |
| 1-month interbank | 9.00 | 9.00 |
| 3-month interbank | 9¼ | 9.20 |
| 6-month interbank | 9½ | 9.45 |
| **Britain** | | |
| Bank base rate | 11.00 | 11.00 |
| Call money | 11¼ | 10⅝ |
| 3-month interbank | 11.00 | 11.00 |
| 6-month interbank | 10 13/16 | 10⅞ |
| **France** | | |
| Intervention rate | 9.00 | 9.00 |
| Call money | 9¼ | 9⅝ |
| 1-month interbank | 9⅝ | 9⅝ |
| 3-month interbank | 9½ | 9½ |
| 6-month interbank | 9⅝ | 9 9/16 |

*Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.*

### Asian Dollar Deposits

Aug. 5

| | |
|---|---|
| 1 month | 5¾ - 5⅞ |
| 2 months | 5 [illegible] - 5 [illegible] |
| 3 months | 5 [illegible] - 5 [illegible] |
| 6 months | 5 [illegible] - 6 [illegible] |
| 1 year | 6⅛ - 6¼ |

*Source: Reuters.*

### U.S. Money Market Funds

Aug. 5

Merrill Lynch Ready Assets

30-day average yield: 5.46

Telerate Interest Rate Index: 5.807

*Source: Merrill Lynch, Telerate.*

## GOLD

Aug. 5

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Hong Kong | 356.55 | 356.85 | — 4.50 |
| Luxembourg | 356.85 | — | — 4.50 |
| Paris (12.5 kilo) | 356.39 | 355.89 | — 4.15 |
| Zurich | 356.40 | 354.95 | — 3.10 |
| London | 355.60 | 354.50 | — 1.30 |
| New York | — | 356.75 | + 0.60 |

*Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.*

*Source: Reuters.*

# Bush Approves Review Of COCOM, Soviet Says

*Reuters*

MOSCOW — President George Bush has agreed in principle to review COCOM rules restricting the sale of high-technology Western goods to Moscow, a senior Soviet official was quoted on Monday as saying.

Tass quoted the first deputy prime minister, Vladimir I. Shcherbakov, as saying the matter was discussed during Mr. Bush's talks with President Mikhail S. Gorbachev in Moscow last week.

"We reached mutual understanding that the COCOM restrictions are unjustified in current conditions," he said. "President Bush said in principle that it was time to take action to resolve this problem."

The Paris-based Coordinating Committee for Multilateral Export Controls, or COCOM, was set up in 1949 to prevent export to the Soviet Union or its Communist allies of high-technology goods that could be used for military purposes. The restrictions remain largely in force.

Mr. Shcherbakov said revision of the list was important for the future of Western investment in the Soviet Union.

"Unless the COCOM list is withdrawn, our investment cooperation with the West cannot be serious," he said. "Unless this problem is resolved, products manufactured by joint ventures cannot be competitive. Not a single Western enterprise will invest in obsolete production."

Turning to the Soviet Union's application to join the International Monetary Fund, Mr. Shcherbakov said associate membership, as supported by the Group of Seven leading industrial nations, was acceptable temporarily.

"We agree to a special status for the present, but the question of the Soviet Union's entry as a fully fledged member should not be taken off the agenda," he said.

In May, COCOM delegates unveiled a new list expanding the range of products that could be exported to the former Communist bloc.

"The list has been revised and May would have been the time to consider proposals applying to the Soviet Union," one source said.

The May meeting also decided to grant special treatment to Poland, Czechoslovakia and Hungary to mark democratic progress made there. The U.S. delegation made no suggestion that special treatment should be extended to include the Soviet Union, the sources said.

COCOM includes all NATO members except Iceland plus Australia and Japan.

Audemars Piguet and Nick Faldo. Where perfection is the only standard.

Royal Oak by Audemars Piguet

# MARKET DIARY

## Stock Traders Wait For Treasury Issue

*United Press International*

NEW YORK — Stocks closed lower Monday on the New York Stock Exchange in dull trading, pressured by investor nervousness about the Treasury's quarterly refunding auctions this week.

The Dow Jones industrial average, which fell 11.41 points Friday, slid 17.22 to 2,989.04.

The NYSE composite index eased 1.04 to 210.99 and the Standard & Poor's 500-stock index lost 2.12 to 385.06.

**N.Y. Stocks**

Declines topped advances by a 2-1 margin. Volume amounted to 125.7 million shares, down from 162.4 million traded Friday.

After a mixed opening, stocks started to slide under pressure from anticipation of the Treasury's quarterly refunding auctions, which will be held this week. The release of new securities into the bond market can lead to a rise in interest rates to attract buyers.

The Treasury will begin the $38 billion refunding Tuesday with the sale of $14 billion in three-year notes.

Analysts said the Dow seemed to find some support at the 2,990 level, but added that economic concerns also played a part in the decline.

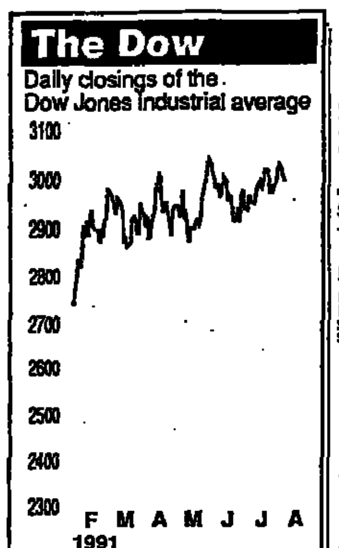
"Things don't seem to be getting any better in the economy, and in the back of their minds, some people are thinking double-dip recession," said James Andrews, first vice president in charge of institutional trading at Janney Montgomery Scott in Philadelphia.

Great Western Financial was the most active issue, unchanged at 18¾ in trading tied to its dividend.

H.J. Heinz followed, up ¼ to 38¾. Citicorp was third, off ⅛ to 14⅛. USX-Marathon was next, off ⅛ to 27⅛, also in dividend-related trading.

Among the blue chips, AT&T lost ⅜ to 39½, IBM gained ½ to 100¾, General Motors added ¼ to 40, Coca-Cola rose ¼ to 62⅛ and Boeing gained ⅛ to 45⅝.

Via Associated Press Aug 5




IHT

### Dow Jones Averages

| | Open | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Indus | 3007.83 | 3019.68 | 2978.76 | 2989.04 | — 17.22 |
| Trans | 1222.67 | 1226.73 | 1211.21 | 1217.74 | — 5.46 |
| Util | 202.24 | 203.18 | 201.18 | 202.43 | — 0.35 |
| Comp | 1073.11 | 1077.24 | 1063.48 | 1068.16 | — 5.28 |

### Standard & Poor's Indexes

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Industrials | 461.66 | 458.50 | 458.85 | —2.81 |
| Transp. | 298.64 | 296.68 | 297.55 | —1.08 |
| Utilities | 139.77 | 138.78 | 139.29 | —0.48 |
| Finance | 30.64 | 30.41 | 30.52 | —0.09 |
| SP 500 | 387.18 | 384.48 | 385.06 | —2.12 |
| SP 100 | 369.40 | 366.51 | 367.01 | —2.20 |

### NYSE Indexes

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Composite | 211.95 | 210.83 | 210.99 | —1.04 |
| Industrials | 266.96 | 265.68 | 265.68 | —1.52 |
| Transp. | 179.50 | 178.83 | 179.12 | —0.41 |
| Utilities | 91.37 | 91.12 | 91.28 | —0.22 |
| Finance | 154.56 | 153.97 | 154.24 | —0.50 |

### NASDAQ Indexes

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Composite | 505.68 | 502.46 | 502.61 | —3.06 |
| Industrials | 561.32 | 558.54 | 558.99 | —3.29 |
| Finance | 504.14 | 502.40 | 503.22 | —1.15 |
| Insurance | 546.38 | 542.70 | 544.00 | —2.66 |
| Utilities | 578.08 | 569.58 | 569.89 | —8.88 |
| Banks | 332.11 | 327.71 | 329.52 | —2.15 |
| Transp. | 524.36 | 519.18 | 522.63 | —1.45 |

### NYSE Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| GtWFn | 52287 | 19 | 18⅝ | 18¾ | |
| Heinz | 17212 | 39 | 38½ | 38¾ | + ¼ |
| Citicorp | 13895 | 14¼ | 14 | 14⅛ | — ⅛ |
| USXMar n | 13718 | 27⅜ | 27⅛ | 27⅛ | |
| MIN | 13329 | 7⅝ | 7½ | 7⅝ | + ⅛ |
| GnMotr | 12233 | 40¼ | 39⅞ | 39⅞ | |
| IBM | 12100 | 101¼ | 100⅜ | 101 | + ¾ |
| FordM | 10867 | 32⅜ | 31¾ | 31⅞ | — ⅝ |
| PhilMr | 10784 | 69¼ | 68⅝ | 68⅞ | |
| viColGs | 10741 | 15¼ | 14⅜ | 14½ | — ¾ |
| TimeW | 10549 | 85 | 84⅝ | 84¾ | — ¼ |
| Boeing | 10325 | 46⅜ | 45½ | 45⅝ | + ⅛ |
| RJR Nb n | 10249 | 11⅜ | 11⅛ | 11¼ | — ⅛ |
| Upjohn | 9827 | 46¼ | 45⅝ | 46 | + ½ |
| CocaCl | 9741 | 62⅝ | 61⅞ | 62⅛ | + ¼ |

### AMEX Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| BAT In | 5995 | 12⅞ | 12½ | 12⅝ | + ⅛ |
| AExpl | 5883 | 3⅛ | 2⅞ | 3 | |
| DowC rt | 3397 | 7⅝ | 7⅜ | 7½ | + ⅛ |
| FruitL | 3306 | 17⅞ | 17⅝ | 17⅝ | — ⅛ |
| Hilhav | 2588 | 3⅛ | 3 | 3 | — ⅛ |
| ChDvA s | 2190 | 30¾ | 30½ | 30¾ | |
| BolrPh | 2002 | 5½ | 5⅜ | 5¼ | |
| JanBell | 1811 | 13¼ | 12 | 12 | |
| Alza | 1792 | 63¾ | 63⅜ | 63⅝ | — ⅛ |
| ForstL s | 1716 | 43½ | 42½ | 42⅝ | — ⅜ |
| PallCp s | 1447 | 36 | 34¾ | 35½ | — ⅜ |
| MelMB | 1437 | 18½ | 17¾ | 18¼ | |
| EchoBy | 1395 | 9⅛ | 8⅝ | 8⅝ | — ⅛ |
| NAVac | 1316 | 11⅞ | 10 | 11½ | — ½ |
| GiantFd | 1315 | 27¼ | 26⅝ | 26¾ | — ¾ |

### NYSE Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 597 | 597 |
| Declined | 965 | 965 |
| Unchanged | 525 | 525 |
| Total Issues | 2087 | 2087 |
| New Highs | 79 | 79 |
| New Lows | 9 | 9 |

### Amex Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 231 | 231 |
| Declined | 293 | 293 |
| Unchanged | 254 | 254 |
| Total Issues | 778 | 778 |
| New Highs | 22 | 22 |
| New Lows | 7 | 7 |

### NASDAQ Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 812 | 957 |
| Declined | 1,013 | 788 |
| Unchanged | 2,301 | 2,382 |
| Total Issues | 4,126 | 4,127 |

### AMEX Stock Index

| High | Low | Close | Ch'ge |
|---|---|---|---|
| 368.40 | 366.47 | 366.71 | —1.69 |

### Dow Jones Bond Averages

| | Close | Ch'ge |
|---|---|---|
| 20 Bonds | 94.88 | +0.06 |
| 10 Utilities | 96.04 | +0.03 |
| 10 Industrials | 93.73 | —0.18 |

### Market Sales

| | |
|---|---|
| NYSE 4 p.m. volume | 125,790,000 |
| NYSE prev. cons. close | 197,493,820 |
| Amex 4 p.m. volume | 9,372,650 |
| Amex prev. cons. close | 17,402,609 |
| NASDAQ 4 p.m. volume | 117,088,580 |
| NASDAQ prev. 4 p.m. volume | 148,488,380 |
| NYSE volume up | 42,511,990 |
| NYSE volume down | 63,126,800 |
| Amex volume up | 4,068,850 |
| Amex volume down | 3,582,800 |
| NASDAQ volume up | 40,363,600 |
| NASDAQ volume down | 52,379,400 |

### S&P 100 Index Options

Aug. 5

| Strike Price | Calls-Last Jly | Aug | Sep | Oct | Puts-Last Jly | Aug | Sep | Oct |
|---|---|---|---|---|---|---|---|---|
| 335 | — | — | — | — | ⅛ | 1⅛ | 2⅝ | — |
| 340 | 27⅜ | — | — | — | ⅛ | 1⅜ | 2¾ | 4½ |
| 345 | 22½ | 25 | — | — | ⅛ | 1⅞ | 3⅜ | — |
| 350 | 17½ | 21 | 25⅛ | — | ⅛ | 2⅜ | 4¼ | 6¼ |
| 355 | 12⅝ | 17⅝ | 19½ | — | ⅛ | 3⅛ | 5⅜ | — |
| 360 | 8⅜ | 12¾ | 15⅛ | 18½ | ⅛ | 4½ | 6⅞ | 9⅝ |
| 365 | 3⅝ | 8⅝ | — | — | 2⅛ | 6⅜ | 8⅝ | — |
| 370 | 2½ | 6⅛ | 9⅝ | — | 3⅜ | 8⅝ | 10⅝ | 12⅞ |
| 375 | ⅝ | 4⅜ | — | — | 6⅜ | 11⅛ | 13⅛ | — |
| 380 | ⅛ | 2⅝ | 5⅜ | — | 13 | 14⅜ | — | 17⅞ |
| 385 | ⅛ | 1⅝ | 3½ | — | — | — | 18¾ | — |

Calls: total vol. 73,587 ; total open int. 313,262
Puts: total vol. 62,278 ; total open int. 348,279

| | Dec 92 | Dec 93 | Dec 92 | Dec 93 |
|---|---|---|---|---|
| 27½ | — | — | ⅜ | — |
| 30 | — | — | ¾ | 1½ |
| 32½ | 6½ | — | 1⅛ | — |
| 35 | 5 | — | 2⅝ | 2¾ |
| 37½ | — | — | 3⅞ | — |
| 40 | — | — | 4¾ | — |

Calls: total vol. 13 ; total open int. 22,548
Puts: total vol. 232 ; total open int. 68,295
Source: CBOE.

### EUROPEAN FUTURES

**Food**

| | Close | | High | Low | Prev. Close | |
|---|---|---|---|---|---|---|
| **SUGAR (FOX)** U.S. Dollars per metric ton-lots of 50 tons | | | | | | |
| Oct | 216.60 | 217.80 | 217.80 | 215.30 | 216.60 | 218.00 |
| Dec | 197.00 | 212.80 | 201.00 | 201.00 | 196.02 | 204.00 |
| Mar | 198.00 | 199.20 | 198.40 | 196.00 | 197.00 | 198.60 |
| May | 199.00 | 201.20 | 199.40 | 199.40 | 198.00 | 200.60 |
| Aug | 197.00 | 200.00 | 198.80 | 197.40 | 196.00 | 198.60 |
| Oct | 196.00 | 200.00 | N.T. | N.T. | 191.00 | 195.60 |
| Dec | 188.00 | 200.00 | N.T. | N.T. | 181.00 | 194.60 |
| Est. Sales 431. | | | | | | |
| **COCOA (FOX)** Sterling per metric ton-lots of 10 tons | | | | | | |
| Sep | 667 | 669 | 690 | 666 | 675 | 677 |
| Dec | 701 | 703 | 722 | 700 | 710 | 712 |
| Mar | 733 | 733 | 753 | 731 | 742 | 743 |
| May | 746 | 749 | 768 | 745 | 756 | 757 |
| Jul | 765 | 766 | 782 | 764 | 772 | 773 |
| Sep | 783 | 784 | 800 | 785 | 790 | 792 |
| Dec | 809 | 810 | 820 | 808 | 816 | 818 |
| Mar | 832 | 833 | 847 | 833 | 845 | 846 |
| May | 848 | 850 | 861 | 850 | 861 | 862 |
| Jul | 858 | 867 | N.T. | N.T. | 876 | 879 |
| Est. Sales 14,425. | | | | | | |
| **COFFEE (FOX)** Sterling per metric ton-lots of 5 tons | | | | | | |
| Sep | 534 | 535 | 538 | 532 | 536 | 537 |
| Nov | 555 | 556 | 560 | 555 | 559 | 561 |
| Jan | 576 | 577 | 581 | 576 | 580 | 581 |
| Mar | 591 | 592 | 600 | 592 | 597 | 598 |
| Est. Sales 2,304. | | | | | | |

| **WHITE SUGAR (Matif)** Dollars per metric ton-lots of 50 tons | High | Low | Close | | Ch'ge |
|---|---|---|---|---|---|
| Oct | 293.00 | 290.00 | 290.50 | 292.00 | + 1.80 |
| Dec | 282.00 | 280.50 | 279.50 | 281.00 | + 1.70 |
| Mar | N.T. | N.T. | 277.00 | 279.00 | + 1.00 |
| May | N.T. | N.T. | 277.00 | 279.00 | + 0.70 |
| Aug | N.T. | N.T. | 276.00 | 278.00 | + 0.50 |
| Oct | N.T. | N.T. | 259.00 | 262.00 | + 1.00 |

Est. sales 176. Prev. sales 664.
Open interest 11,681.

**Metals**

| | Close Bid | Ask | Previous Bid | Ask |
|---|---|---|---|---|
| **ALUMINUM (High Grade)** Dollars per metric ton | | | | |
| Spot | 1256.00 | 1257.00 | 1261.00 | 1263.00 |
| Forward | 1288.00 | 1289.00 | 1292.00 | 1293.00 |
| **COPPER CATHODES (High Grade)** Sterling per metric ton | | | | |
| Spot | 1309.00 | 1310.00 | 1324.00 | 1326.00 |
| Forward | 1327.00 | 1327.50 | 1341.00 | 1342.00 |
| **LEAD** Sterling per metric ton | | | | |
| Spot | 321.00 | 323.00 | 322.00 | 323.50 |
| Forward | 333.00 | 333.50 | 334.75 | 335.00 |
| **NICKEL** Dollars per metric ton | | | | |
| Spot | 8170.00 | 8180.00 | 8260.00 | 8280.00 |
| Forward | 8145.00 | 8155.00 | 8220.00 | 8230.00 |
| **TIN** Dollars per metric ton | | | | |
| Spot | 5660.00 | 5665.00 | 5670.00 | 5680.00 |
| Forward | 5760.00 | 5770.00 | 5755.00 | 5765.00 |
| **ZINC (Special High Grade)** Dollars per metric ton | | | | |
| Spot | 1059.00 | 1060.00 | 1055.00 | 1056.00 |
| Forward | 1073.00 | 1074.00 | 1072.00 | 1073.00 |

**Financial**

| | High | Low | Close | Change |
|---|---|---|---|---|
| **3-MONTH STERLING (LIFFE)** £500,000 - pts of 100 pct | | | | |
| Sep | 89.32 | 89.27 | 89.28 | —0.01 |
| Dec | 89.81 | 89.76 | 89.78 | Unch. |
| Mar | 90.04 | 90.00 | 90.00 | +0.01 |
| Jun | 89.86 | 89.85 | 89.85 | +0.01 |
| Sep | 89.69 | 89.64 | 89.66 | —0.01 |
| Dec | 89.57 | 89.54 | 89.56 | +0.02 |
| Mar | 89.44 | 89.42 | 89.43 | —0.01 |
| Jun | 89.44 | 89.44 | 89.42 | —0.02 |
| Dec | N.T. | N.T. | 89.40 | +0.04 |
| Est. volume: 16,564. Open interest: 136,999. | | | | |
| **3-MONTH EURODOLLARS (LIFFE)** $1 million - pts of 100 pct | | | | |
| Sep | 94.04 | 94.02 | 94.04 | —0.01 |
| Dec | 93.67 | 93.65 | 93.67 | +0.01 |
| Mar | 93.61 | 93.59 | 93.61 | +0.01 |
| Jun | 93.20 | 93.19 | 93.20 | +0.04 |
| Sep | N.T. | N.T. | 92.69 | +0.02 |
| Dec | N.T. | N.T. | 92.16 | +0.03 |
| Mar | N.T. | N.T. | 92.13 | +0.01 |
| Jun | N.T. | N.T. | 91.93 | +0.03 |
| Est. volume: 2,087. Open interest: 29,781. | | | | |
| **3-MONTH EUROMARKS (LIFFE)** DM1 million - pts of 100 pct | | | | |
| Sep | 90.64 | 90.61 | 90.63 | —0.01 |
| Dec | 90.45 | 90.42 | 90.44 | Unch. |
| Mar | 90.84 | 90.81 | 90.83 | Unch. |
| Jun | 90.95 | 90.92 | 90.95 | Unch. |
| Sep | 91.09 | 91.09 | 91.11 | +0.02 |
| Mar | N.T. | N.T. | 91.33 | —0.02 |
| Jun | N.T. | N.T. | 91.35 | —0.02 |
| Est. volume: 11,622. Open interest: 0 | | | | |
| **LONG GILT (LIFFE)** £50,000 - pts & 32nds of 100 pct | | | | |
| Sep | 93-24 | 93-10 | 93-12 | +0-04 |
| Dec | 93-26 | 93-19 | 93-16 | +0-04 |
| Est. volume: 20,046. Open interest: 42,609. | | | | |
| **GERMAN GOVERNMENT BUND (LIFFE)** DM 250,000 - pts of 100 pct | | | | |
| Sep | 84.28 | 84.11 | 84.20 | —0.05 |
| Dec | 84.37 | 84.20 | 84.37 | —0.04 |
| Mar | N.T. | N.T. | 84.49 | —0.04 |
| Est. volume: 20,022. Open interest: 90,334. | | | | |

**Industrials**

| | High | Low | Last | Settle | Ch'ge |
|---|---|---|---|---|---|
| **GASOIL (IPE)** U.S. dollars per metric ton-lots of 100 tons | | | | | |
| Aug | 186.25 | 184.00 | 185.50 | 185.50 | Unch. |
| Sep | 187.50 | 185.00 | 187.50 | 187.25 | +0.75 |
| Oct | 189.50 | 186.00 | 189.00 | 189.50 | +1.00 |
| Nov | 191.75 | 189.75 | 191.75 | 191.50 | +1.50 |
| Dec | 192.00 | 190.25 | 192.00 | 191.75 | +0.50 |
| Jan | 189.00 | 188.00 | 188.50 | 188.50 | +0.50 |
| Feb | 183.50 | 183.50 | 183.50 | 183.50 | Unch. |
| Mar | 178.00 | 177.50 | 177.50 | 177.50 | +1.25 |
| Apr | 175.00 | 174.50 | 174.50 | 174.50 | +1.25 |
| Est. Sales 6,000. Prev. sales 9,283. Open interest 87,185 | | | | | |
| **BRENT CRUDE OIL (IPE)** U.S. dollars per barrel-lots of 1,000 barrels | | | | | |
| Sep | 19.64 | 19.45 | 19.54 | 19.53 | +0.03 |
| Oct | 19.72 | 19.58 | 19.64 | 19.62 | +0.02 |
| Nov | 19.76 | 19.58 | 19.70 | 19.70 | +0.05 |
| Dec | 19.75 | 19.58 | 19.47 | 19.69 | +0.14 |
| Jan | 19.70 | 19.53 | 19.55 | 19.55 | +0.15 |
| Feb | N.T. | N.T. | N.T. | 19.45 | +0.05 |
| Mar | N.T. | N.T. | N.T. | 19.35 | +0.05 |
| Apr | N.T. | N.T. | N.T. | 19.35 | +0.05 |
| May | N.T. | N.T. | N.T. | 19.35 | +0.05 |
| Est. Sales 9,000. Prev. sales 15,397. Open interest 60,899 | | | | | |

**Stock Indexes**

| **FTSE 100 (LIFFE)** £25 per index point | | | | |
|---|---|---|---|---|
| Sep | 2642.0 | 2615.0 | 2623.0 | —15.0 |
| Dec | N.T. | N.T. | 2666.5 | —14.5 |
| Mar | 2717.0 | 2717.0 | 2707.0 | —10.0 |

Est. volume: 3,856. Open interest: 0

*Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.*

### Spot Commodities

| Commodity | Today | Prev. |
|---|---|---|
| Aluminum, lb | 0.57 | 0.575 |
| Coffee, lb | 0.48 | 0.48 |
| Copper electrolytic, lb | 1.123 | 1.30 |
| Iron FOB, ton | 213.00 | 213.00 |
| Lead, lb | 0.36 | 0.36 |
| Silver, troy oz | 3.925 | 3.92 |
| Steel (billets), ton | 473.00 | 473.00 |
| Steel (scrap), ton | 0.99 | 0.99 |
| Tin, lb | 3.6635 | 3.4715 |
| Zinc, lb | 0.5375 | 0.5375 |

### Dividends

| Company | Per | Amt | Pay | Rec |
|---|---|---|---|---|
| **INCREASED** | | | | |
| Flowers Industries | Q | .17 | 8-30 | 8-16 |
| **INITIAL** | | | | |
| Petro-Can | - | .03 | 10-1 | 9-3 |
| **LIQUIDATING** | | | | |
| Invitron Corp | - | .40 | 9-19 | 9-2 |
| **REVERSE STOCK SPLIT** | | | | |
| A.B.E. Industrial Holdings, Inc — 1-for-10 | | | | |
| **USUAL** | | | | |
| Atlanta Gas Light | Q | .51 | 9-1 | 8-16 |
| Greiner Engineer | Q | .05 | 8-30 | 8-16 |
| Research Inc | Q | .11 | 9-30 | 9-4 |
| Richardson Elec | Q | .04 | 9-16 | 8-30 |
| Sabine Royalty Tr | - | .1406 | 8-29 | 8-15 |
| Savannah Fds & Ind | Q | .12 | 10-1 | 9-6 |
| Smith's Fd&Drg Cnt | Q | .09 | 9-12 | 8-15 |

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

*Source: UPI.*

### N.Y.S.E. Odd-Lot Trading

| | Buy | Sales | Short* |
|---|---|---|---|
| Aug. 2 | 513,606 | 678,397 | 37,052 |
| Aug. 1 | 509,576 | 837,151 | 146,742 |
| July 31 | 568,998 | 707,990 | 20,064 |
| July 30 | 621,837 | 715,033 | 41,002 |
| July 29 | 518,967 | 613,431 | 10,685 |

*Included in the sales figures.

# U.S./AT THE CLOSE

## Ford Sales Up as GM, Chrysler Drop

DETROIT (Reuters) — Ford Motor Co. said Monday its late July U.S. car sales increased by 1.3 percent over the comparable period in 1990, but General Motors Corp. and Chrysler Corp. both reported declines.

Ford said it sold 61,281 units, although its light-truck sales declined 10.6 percent to 46,247. GM said its late-July car sales fell 8.8 percent to 102,877 and light-truck sales fell 19.5 percent to 50,625. Chrysler sales fell 33.8 percent to 47,948 units, but light-truck sales slipped only 1.3 percent to 74,758.

Meanwhile, Toyota's Lexus luxury car division has become the first Asian brand to top a New Car Sales and Satisfaction survey by J.D. Power & Associates, displacing Mercedes-Benz, now fifth. Cadillac was second.

## $11 Billion Stealth Contracts Issued

WASHINGTON (Reuters) — The Air Force said Monday it had awarded contracts worth nearly $11 billion to a team headed by Lockheed Corp. that won a battle earlier this year to develop and test a new radar-evading fighter jet for the 21st century.

A development contract worth $9.55 billion to build and test 13 of the F-22 airplanes through 1999 was awarded to Lockheed, General Dynamics Corp. and Boeing Co.

Pratt & Whitney, a division of United Technologies Corp., won a $1.38 billion contract to build 33 test engines. The Pentagon eventually plans to buy 648 of the warplanes at more than $60 billion to replace the F-15.

## Rise Seen in U.S. Need for Oil Import

WASHINGTON (AP) — U.S. reliance on foreign oil will continue to increase sharply over the next 20 years unless dramatic measures are taken to conserve energy and increase domestic production, the head the Energy Information Administration said Monday.

Calvin Kent, administrator of the federal agency, said the United States might have to import about 70 percent of its oil by the year 2010, or about 3.3 billion barrels.

## Lotus to Adapt Spreadsheet for IBM

NEW YORK (AP) — Lotus Development Corp. will develop a version of its popular 1-2-3 spreadsheet software for IBM's work station line, the two companies said Monday.

IBM will provide equipment and support for Lotus to tailor a version of 1-2-3, the world's best-selling personal computer software, for IBM's RS-6000 work stations. The availability date and its price were not disclosed.

## JWP Takes Over Computer Retailer

PURCHASE, New York (Reuters) — JWP Inc., an engineering and consulting company, said on Monday it had completed its acquisition of the troubled computer retailer Businessland Inc., paying about $43 million in a tender offer.

Once a high-flying chain of retail stores, Businessland had threatened to file for bankruptcy protection. JWP said the new group would become the world's largest computer retailer.

## Celestial Seasonings Founder Is Back

BOULDER, Colorado (AP) — Mo Siegel, who founded Celestial Seasonings Inc. in 1970, will rejoin the company as chairman and chief executive when the herbal tea company buys Siegel's Earth Wise Inc., the companies announced Monday.

Mr. Siegel established the U.S. herbal tea industry by blending herbs into teas with whimsical names such as Red Zinger and Sleepytime. Kraft General Foods acquired Celestial Seasonings in 1984, but the company was purchased by management in 1988.

## For the Record

The World Bank said it was lending Bulgaria $250 million to support economic reform programs. *(AFP)*

## Dollar Falls Sharply In Technical Trading

*Compiled by Our Staff From Dispatches*

NEW YORK — The dollar declined on world currency markets Monday, falling precipitously against the Deutsche mark in technical trading.

The dollar was under pressure worldwide, but a wave of selling

**Foreign Exchange**

was triggered when the U.S. currency fell through 1.73 DM. In New York, the currency closed at 1.7175 DM, down from Friday's 1.7405.

Speculators and technical traders were selling, as were Far East and Soviet players, dealers said.

"The fundamental impetus for the decline is the interest rate differential," said John McCarthy, chief dealer at Algemene Bank Nederland. The consensus is that the United States has room to lower interest rates while the Germans might well raise them, he said.

But the market is ignoring two factors that could support the dollar: the brokerage house scandal in Japan and turmoil in Yugoslavia, Mr. McCarthy said.

Meanwhile, however, a bearish mood is expected to hover over the market.

The dollar fell to 136.65 yen compared with Friday's 137.20 close. It was also down at 1.4965 Swiss francs and 5.8435 French francs from Friday's 1.5135 and 5.9195. The British pound in New York was at $1.7108, up from Friday's $1.6895.

In London, the dollar ended Monday at 1.7215 DM, compared with the close on Friday at 1.7420 DM. Against the Japanese currency it was unchanged from London's Friday finish at 136.80 yen. The dollar also closed at 1.5007 Swiss francs and at 5.8655 French francs, compared with Friday's 1.5193 and 5.9225. *(AP, Reuters)*

## BANKS: *Congress Pushes a Return to Strict Rules for Real Estate Loans*

(Continued from first finance page)
deregulatory step gave the banks a freedom that worsened the mistakes they were making with real-estate clients.

In the late 1980s, banks often lent developers 100 percent of their acquisition and construction costs, plus additional amounts for developer fees. Restrictions on loans for undeveloped land were lifted, as were provisions governing how much money developers were required to contribute to projects.

As property values soared, this lending often paid off handsomely.

"The banks got caught up in a booming market," said Cheryl Swaim, a banking analyst with Oppenheimer & Co., a Wall Street brokerage. "Commercial real estate loans, when they work, are very profitable, because you get big fees up front and you get higher interest rates on them than on other commercial loans."

With the recession and the recent decline of property values, many real estate projects are now insolvent, with little prospect of finding buyers or lenders willing to refinance their mortgages.

If Congress restores the lending restrictions, the effects would probably not be immediately noticeable, real estate executives said. Banks have already sharply reduced their lending for commercial and residential property development, and tighter restrictions on loan amounts would hardly affect lending patterns.

Eventually, however, the rules would probably reduce the flow of bank funds to property development, and because of this, real estate industry representatives are expected to lobby against new restrictions.

Mr. Seidman said recently that the bulk of loans that got most major banks in deep trouble were exactly the kind of construction and development loans that had been prohibited before deregulation.

# WORLD STOCK MARKETS

Agence France Presse Aug. 5

**Amsterdam**

| | Close | Prev. |
|---|---|---|
| ABN Amro Hld | 40.30 | 40.30 |
| ACF Holding | 37.40 | 37.40 |
| Aegon | 121.30 | 122.20 |
| Ahold | 80.20 | 80.90 |
| Akzo | 117.10 | 117.30 |
| AMEV | 52.30 | 52.50 |
| A'Dam Rubber | 4.20 | 4.10 |
| Bols | 201.70 | 202.50 |
| Buhrmann Tett | 46.40 | 46.30 |
| Center Parcs | 25 | 25.50 |
| CSM | 81 | 81.10 |
| DAF | 22.20 | 22.30 |
| DSM | 104.80 | 106.30 |
| Elsevier | 84.40 | 84.70 |
| Fokker | 33.70 | 34.40 |
| Gist-Brocades | 34.10 | 34.10 |
| Heineken | 152.40 | 152.80 |
| Hoogovens | 64.40 | 64 |
| Hunter Douglas | 81 | 82.30 |
| IHC Caland | 62.60 | 62.70 |
| Inter Mueller | 77.50 | 78.30 |
| Int'l Nederland | 50.80 | 51.20 |
| KLM | 28.40 | 28.10 |
| KNP | 53 | 53.50 |
| Nedlloyd | 57.40 | 58 |
| Oce Grinten | 57.80 | 57.90 |
| Pakhoed | 191.50 | 193 |
| Philips | 33.60 | 33.90 |
| Robeco | 101.40 | 102 |
| Rodamco | 53.50 | 53.40 |
| Rolinco | 101.60 | 102.60 |
| Rorento | 66.50 | 66.40 |
| Royal Dutch | 159.90 | 162.30 |
| Unilever | 161.80 | 163.20 |
| Van Ommeren | 46.30 | 46.60 |
| VMF Stork | 46.50 | 46.70 |
| VNU | 76.60 | 77.10 |
| Wessanen | 85.30 | 86.30 |
| Wolters Kluwer | 54.50 | 54.40 |

CBS Trend Index : 93.10
Previous : 93.70

**Brussels**

| | Close | Prev. |
|---|---|---|
| AG Fin | 1845 | 1840 |
| Arbed | 4330 | 4325 |
| Barco | 1150 | 1140 |
| Bekaert | 9250 | 9250 |
| Cockerill | 175 | 176 |
| Cobepa | 4980 | 4970 |
| Delhaize | 7860 | 7900 |
| Electrabel | 4500 | 4450 |
| GB-Inno-BM | 1316 | 1314 |
| GBL | 3480 | 3480 |
| Gevaert | 6600 | 6570 |
| Hoboken | 10650 | 11000 |
| Kredietbank | 4005 | 4005 |
| Petrofina | 11525 | 11600 |
| Royal Belge | 4190 | 4190 |
| Soc Gen Banque | 5080 | 5100 |
| Soc Gen Belgique | 2410 | 2415 |
| Sofina | 11650 | 11600 |
| Solvay | 12800 | 12825 |
| Tractebel | 8240 | 8220 |
| UCB | 18250 | 18150 |
| Powerfin | 2360 | 2365 |

Current Stock Index : 5732.25
Previous : 5738.80

**Frankfurt**

| | Close | Prev. |
|---|---|---|
| AEG | 196 | 191.50 |
| Allianz Hold | 2083 | 2085 |
| Altana | 650 | 648.80 |
| Asko | 840 | 848 |
| BASF | 239.50 | 241.30 |
| Bayer | 278.50 | 278.70 |
| Bay. Hypo bank | 367 | 361.50 |
| Bay Vereinsbk | 404 | 405 |
| BBC | 715 | 725 |
| BHF Bank | 375 | 374.50 |
| BMW | 504 | 501.50 |
| Commerzbank | 257.50 | 254.80 |
| Continental | 198 | 193.90 |
| Daimler Benz | 731.50 | 725.50 |
| Degussa | 333.50 | 334.80 |
| Dt Babcock | 161.50 | 161.70 |
| Deutsche Bank | 642.50 | 637.90 |
| Douglas | 702 | 702 |
| Dresdner Bank | 358.90 | 357.50 |
| Harpener | 270 | 268 |
| Henkel | 577 | 577 |
| Hochtief | 1262 | 1261 |
| Hoechst | 243.50 | 243.50 |
| Hoesch | 263 | 263.50 |
| Holzmann | 1250 | 1228 |
| Horten | 192.50 | 194 |
| IWKA | 321 | 315 |
| Kali Salz | 172 | 172.50 |
| Karstadt | 582 | 587 |
| Kaufhof | 477 | 470 |
| KHD | 167 | 160.50 |
| Kloeckner Werke | 131.50 | 131.30 |
| Krupp Stahl | 147.50 | 144 |
| Linde | 795 | 792 |
| Lufthansa | 136.90 | 134.50 |
| MAN | 372 | 375 |
| Mannesmann | 270 | 269.50 |
| Metallgesell | 491 | 497.80 |
| Muench Rueck | 2435 | 2465 |
| Nixdorf | 240.50 | 247.50 |
| PKI | 506 | 506 |
| Porsche | 815 | 820 |
| Preussag | 352.40 | 352.50 |
| PWA | 245 | 249 |
| RWE | 385.30 | 384.30 |
| Rheinmetall | 334 | N.A. |
| Schering | 789.50 | 792.50 |
| SEL | 375 | 375.50 |
| Siemens | 656.30 | 652.70 |
| Thyssen | 224.80 | 225.50 |
| Varta | 327 | 324 |
| Veba | 343.20 | 340.80 |
| VEW | 198.30 | 199 |
| Viag | 383.50 | 377.30 |
| Volkswagen | 366 | 357.50 |
| Wella | 661 | 660 |

DAX Index : 1622.83
Previous : 1615.36
FAZ Index : 673.20
Previous : 669.85

**Helsinki**

| | Close | Prev. |
|---|---|---|
| Amer A | 55 | 54.30 |
| Enso-Gutzeit | 20 | 19.50 |
| K.O.P. | 33 | 33 |
| Kymmene | 65 | 65 |
| Metra | 71 | 72 |
| Nokia | 93 | 95 |
| Pohjola | 93 | 95 |
| Repola | 56 | 56.50 |
| Stockmann | N.Q. | 115 |

HEX Index : 1089.30
Previous : 1015.20

**Hong Kong**

| | Close | Prev. |
|---|---|---|
| Bk East Asia | 19.70 | 19.40 |
| Cathay Pacific | 9.40 | 9.15 |
| Cavendish Int'l | 3.73 | 3.75 |
| Cheung Kong | 21 | 20.80 |
| China Light Pwr | 21.10 | 21.10 |
| Dairy Farm Int'l | 10.80 | 10.90 |
| Hang Lung Dev | 8.10 | 8.15 |
| Hang Seng Bank | 33.25 | 33.50 |
| Henderson Land | 13.40 | 13.40 |
| HK Air Eng. | 18.30 | 18.40 |
| HK China Gas | 10.70 | 10.80 |
| HK Electric | 12.50 | 12.50 |
| HK Land | 8.95 | 9.10 |
| HK Realty Trust | 6.30 | 6.35 |
| HK Shang Bank | 28.90 | 28.50 |
| HK Shang Htls | 5.05 | 5.05 |
| HK Telecomm | 6.95 | 6.90 |
| HK Ferry | 5.35 | 5.25 |
| Hutch Whampoa | 15.60 | 15.90 |
| Hysan Dev | 8.05 | 7.90 |
| Jardine Math. | 36.25 | 36.25 |
| Jardine Str Hld | 18.40 | 18.50 |
| Kowloon Motor | 7.80 | 7.45 |
| Mandarin Orient | 4.93 | 4.85 |
| Miramar Hotel | 5.90 | 5.95 |
| New World Dev | 11.60 | 11.60 |
| SHK Props | 22.20 | 22 |
| Stelux | 3.55 | 3.58 |
| Swire Pac A | 22.10 | 22.30 |
| Tai Cheung Prps | 4.80 | 4.78 |
| TVE | 1.58 | 1.58 |
| Wharf Hold | 10.50 | 10.50 |
| Wing On Co | 7.45 | 7.70 |
| Winsor Ind. | 9.90 | 9.90 |
| World Int'l | 5.60 | 5.65 |

Hang Seng Index : 4063.01
Previous : 4059.40

**Johannesburg**

| | Close | Prev. |
|---|---|---|
| AECI | 12 | 12 |
| Altech | 90 | 90 |
| Anglo Amer | 115.75 | 117 |
| Barlows | 47 | 47.50 |
| Blyvoor | 7 | 7 |
| Buffels | 41 | 41 |
| De Beers | 89.25 | 89.75 |
| Driefontein | 40.50 | 40.75 |
| Gencor | 13.60 | 13.75 |
| GFSA | 75 | 78 |
| Harmony | 17.75 | 17.75 |
| Highveld Steel | 17.10 | 17.10 |
| Kloof | 32.25 | 32.25 |
| Nedbank Grp | 14.75 | 14.75 |
| Randfontein | 14.25 | 14.50 |
| Rusplat | 67 | 66.50 |
| SA Brews | 56.50 | 57 |
| St Helena | 26 | 26 |
| Sasol | 14.60 | 14.60 |
| Welkom | 15 | 15 |
| Western Deep | 117 | 119 |

Composite Stock Index : 3442
Previous : 3452

**London**

| | Close | Prev. |
|---|---|---|
| Abbey Nat'l | 3 | 3.01 |
| Allied Lyons | 5.81 | 5.87 |
| Arjo Wiggins | 2.84 | 2.85 |
| Argyll Group | 3.07 | 3.15 |
| ASDA Group | 0.89 | 0.92 |
| Ass Brit Foods | 5.39 | 5.47 |
| BAA | 4.34 | 4.42 |
| BAe | 5.73 | 5.80 |
| Bank Scotland | 1.18 | 1.19 |
| Barclays | 4.40 | 4.62 |
| Bass | 9.15 | 9.18 |
| BAT | 7.38 | 7.47 |
| BET | 2.12 | 2.14 |
| BICC | 4.55 | 4.57 |
| Blue Circle | 2.62 | 2.63 |
| BOC Group | 5.83 | 5.90 |
| Boots | 4.11 | 4.16 |
| BP | 3.42 | 3.47 |
| Brit Airways | 1.78 | 1.76 |
| Brit Gas | 2.67 | 2.64 |
| Brit Steel | 1.21 | 1.21 |
| Brit Telecom | 3.84 | 3.88 |
| BTR | 4.20 | 4.27 |
| Cable Wire | 5.72 | 5.77 |
| Cadbury Sch | 3.61 | 3.70 |
| Comm Union | 5.36 | 5.36 |
| Courtaulds | 4.38 | 4.42 |
| Enterprise Oil | 5.25 | 5.27 |
| Eurotunnel | 4.45 | 4.58 |
| Fisons | 4.92 | 4.95 |
| Forte | 2.70 | 2.72 |
| GEC | 1.90 | 1.91 |
| Gen'l Acc | 5.63 | 5.45 |
| Glaxo | 12.75 | 12.93 |
| Grand Met | 7.86 | 7.89 |
| GRE | 1.80 | 1.84 |
| Guinness | 9.80 | 9.85 |
| GUS | 16 | 16 |
| Hanson | 2.08 | 2.12 |
| Hawker Sidd | 5.76 | 5.92 |
| Hillsdown | 2.29 | 2.38 |
| ICI | 13.26 | 13.42 |
| Kingfisher | 5.40 | 5.42 |
| Ladbroke | 2.67 | 2.70 |
| Land Sec | 5.12 | 5.11 |
| Lasmo | 3.32 | 3.37 |
| Legal Gen Grp | 4.44 | 4.45 |
| Lloyds Bank | 3.77 | 3.78 |
| Lonrho | 2.44 | 2.47 |
| Lucas Ind | 1.39 | 1.39 |
| Marks Sp | 2.76 | 2.76 |
| Maxwell | 1.96 | 1.97 |
| MEPC | 4.70 | 4.75 |
| Midland Bk | 2.31 | 2.27 |
| Nat'l Power | 1.52 | 1.51 |
| Natwest | 3.27 | 3.25 |
| Nthwst Water | N.A. | 3.58 |
| Pearson | 7.50 | 7.59 |
| P&O | 5.84 | 5.97 |
| Pilkington | 1.54 | 1.55 |
| PowerGen | 1.58 | 1.58 |
| Prudential | 2.51 | 2.54 |
| Racal Elec | 2.12 | 2.18 |
| Rank Org | 6.75 | 6.83 |
| Reckitt Col | 6.63 | 6.71 |
| Redland | 5.40 | 5.69 |
| Reed Intl | 4.40 | 4.48 |
| Reuters | 8.11 | 8.18 |
| RMC Group | 6.55 | 6.68 |
| Rolls Royce | 1.58 | 1.58 |
| Rothmans | 10.67 | 10.68 |
| Royal Ins | 4.10 | 4.15 |
| Royal Scot | 1.87 | 1.88 |
| RTZ | 5.83 | 5.90 |
| Sainsbury | 3.75 | 3.81 |
| Scot Newcas | 4.17 | 4.18 |
| Sears Holds | 0.79 | 0.80 |
| Severn Trent | N.A. | 3.29 |
| Shell | 5.32 | 5.39 |
| Smith Nephew | 1.34 | 1.37 |
| SmithKline B | 7.77 | 7.75 |
| Sun Alliance | 3.77 | 3.86 |
| Tarmac | 2.28 | 2.30 |
| Tate & Lyle | 3.93 | 3.94 |
| Tesco | 2.78 | 2.85 |
| Thorn EMI | 7.68 | 7.73 |
| Trafalgar Hse | 2.18 | 2.21 |
| TSB Group | 1.49 | 1.47 |
| Ultramar | 2.74 | 2.77 |
| Unilever | 7.65 | 7.73 |
| Utd Biscuits | 3.93 | 3.97 |
| War Loan 3½ | 35.63 | 35.25 |
| Wellcome | 7.16 | 7.20 |
| Whitbread | 4.98 | 5.07 |
| Williams Hdgs | 3.25 | 3.27 |
| Willis Corroon | 3.13 | 3.17 |

F.T. 30 Index : 1999.40
Previous : 2013.80
F.T.S.E. 100 Index : 2585.80
Previous : 2601.70

**Madrid**

| | Close | Prev. |
|---|---|---|
| Bco. Bilbao/Viz. | 3190 | 3135 |
| Banco Central | 4295 | 4290 |
| Bco. Santander | 5230 | 5190 |
| Banesto | 3920 | 3840 |
| CEPSA | 2275 | 2290 |
| Dragados | 2470 | 2460 |
| Iberduero | 693 | 687 |
| Telefonica | 965 | 956 |

S.E. General Index : 275.45
Previous : 273.82

**Milan**

| | Close | Prev. |
|---|---|---|
| Alenia | 2858 | 2860 |
| Banca Comm | 4800 | 4856 |
| Bastogi | 224.50 | 221 |
| Benetton group | 9800 | 9610 |
| Ciga hotels | 2370 | 2331 |
| CIR | 2920 | 2935 |
| Cred Ital | 2725 | 2768 |
| Enichem | 1480 | 1471 |
| Eridania | 7400 | 7495 |
| Ferfin | 2195 | 2224 |
| Ferfin Risp | 1389 | 1393 |
| Fiat SPA | 6088 | 6165 |
| Generali | 31900 | 32150 |
| IFI | 15950 | 16200 |
| Italcem | 22600 | 22700 |
| Italgas | 3232 | 3249 |
| Italmobiliare | 74900 | 75950 |
| Mediobanca | 16100 | 16000 |
| Montedison | 1465 | 1485 |
| Olivetti | 3883 | 3890 |
| Pirelli | 1995 | 2015 |
| RAS | 19350 | 19450 |
| Rinascente | 7550 | 7593 |
| Saipem | 1413 | 1420 |
| SIP | 1134 | 1144 |
| SME | 3188 | 3240 |
| Snia | 1480 | 1500 |
| Standa | 35000 | 34900 |
| Stet | 2034 | 2048 |
| Toro Assi Risp | 23650 | 23990 |

MIB Index : 1117
Previous : 1124

**Montreal**

| | Close | Prev. |
|---|---|---|
| Alcan Aluminum | 23¾ | 23⅝ |
| Bank Montreal | 34½ | 34⅝ |
| Bell Canada | 44¼ | 44¼ |
| Bombardier A | 22⅝ | 22¾ |
| Bombardier B | 23½ | 23⅝ |
| Cambior | 10⅛ | 10⅛ |
| Cascades | 4.90 | 4.95 |
| Dominion Text A | 6¼ | 6¼ |
| Donohue | N.Q. | — |
| MacMillan Bl | 20⅛ | 20⅛ |
| Mematec | 9⅝ | — |
| Natl Bk Canada | 11 | 10⅝ |
| Power Corp. | 15⅞ | 15⅞ |
| Provigo | 11⅛ | — |
| Quebec Tel | 15⅝ | 15⅞ |
| Quebecor A | N.Q. | 17½ |
| Quebecor B | 16⅞ | 16⅞ |
| Videotron | 13½ | 13⅝ |

Industrials Index : 1604.93
Previous : 1618.96

**Paris**

| | Close | Prev. |
|---|---|---|
| Accor | 762 | 762 |
| Air Liquide | 650 | 651 |
| Alcatel Alsthom | 574 | 577 |
| Bancaire (Cie) | 495.10 | 495 |
| BIC | 725 | 725 |
| Bouygues | 562 | 564 |
| BSN-GD | 895 | 895 |
| Carrefour | 1975 | 1963 |
| C.C.F. | 153.30 | 153.50 |
| Cerus | 125 | 124.10 |
| Chargeurs | 740 | 743 |
| Club Med | 430 | 428 |
| Elf-Aquitaine | 351.50 | 352.80 |
| Gen. Eaux | 2372 | 2371 |
| Euro-disneyland | 126 | 126 |
| Hachette | 176 | 178 |
| Havas | 492.10 | 495.50 |
| Imetal | 280 | 285.40 |
| Lafarge Coppee | 352 | 352 |
| Legrand | 3490 | 3580 |
| Lyon. Eaux | 512 | 509 |
| Oreal (L') | 590 | 586 |
| L.V.M.H. | 4269 | 4318 |
| Matra | 196.80 | 195.30 |
| Merlin Gerin | 489.70 | 488 |
| Michelin B | 103 | 102.30 |
| Moulinex | 156.10 | 154 |
| Occidentale | N.A. | — |
| Paribas | 416 | 418 |
| Pechiney Intl | 153 | 154 |
| Pernod-Ricard | 1181 | 1184 |
| Perrier | 1337 | 1352 |
| Peugeot | 579 | 574 |
| Printemps (Au) | 796 | 796 |
| Radiotechnique | N.A. | — |
| Raff. St. Louis | 1465 | 1467 |
| Redoute (La) | 4142 | 4255 |
| Saint Gobain | 452.10 | 462.70 |
| Sanofi | 856 | 872 |
| S.E.B. | 1620 | 1630 |
| Ste Generale A | 430 | 431.10 |
| Suez | 325.20 | 322.10 |
| Thomson-CSF | 124.50 | 125.60 |
| Total | 856 | 862 |
| U.A.P. | 520 | 516 |
| Valeo | 526 | 530 |

CAC 40 Index : 1762.22
Previous : 1766.52

**To Our Readers**

Sao Paulo stock prices were not available Monday due to problems at the source.

**Singapore**

| | Close | Prev. |
|---|---|---|
| City Dev. | 3.26 | 3.34 |
| DBS | 11.90 | 12 |
| Fraser Neave | 8.45 | 8.45 |
| Harrisons Plant | 1.26 | 1.29 |
| Haw Par | 2.59 | 2.61 |
| Hume | 3.64 | 3.70 |
| Inchcape | 4.10 | 4.18 |
| Keppel | 7.50 | 7.65 |
| KL Kepong | 2.65 | 2.67 |
| Lum Chang | 1.10 | 1.12 |
| Malayan Banking | 4.14 | 4.18 |
| OCBC | 8.55 | 8.65 |
| OUB | 5.35 | 5.35 |
| OUE | 6.75 | 6.65 |
| Sembawang | 7.10 | 7.05 |
| Shangrila | 5.70 | 5.75 |
| Sime Darby | 2.42 | 2.50 |
| SIA | 13.90 | 13.50 |
| S'pore Land | 5.65 | 5.70 |
| S'pore Press | 8.70 | 8.85 |
| Sing Steamship | 2.36 | 2.39 |
| Straits Trading | 2.74 | 2.83 |
| UOB | 6.80 | 6.95 |
| United Overseas | 1.55 | 1.58 |

Straits Times Ind. : 1465.04
Previous : 1477.62

**Stockholm**

| | Close | Prev. |
|---|---|---|
| AGA | 320 | 320 |
| Alfa Laval | N.Q. | — |
| Asea | 405 | 412 |
| Astra-A | 639 | 645 |
| Atlas Copco | 270 | 275 |
| Electrolux B | 267 | 271 |
| Ericsson | 188 | 189 |
| Esselte-A | 160 | 162 |
| Handelsbanken | 121 | 127 |
| Norsk Hydro | 187.50 | 186.50 |
| Procordia AF | 190 | 185 |
| Providentia | 107 | 105 |
| Sandvik | 358 | 360 |
| SCA-A | 122 | 122 |
| S-E Banken | 77 | 77.50 |
| Skandia F | 183 | 185 |
| Skanska | 193 | 190 |
| SKF | 108 | 111 |
| Stora | 355 | 357 |
| Trelleborg B | 123 | 125 |
| Volvo | 357 | 359 |

Affaersvaerlden : 1094.20
Previous : 1103.30

**Sydney**

| | Close | Prev. |
|---|---|---|
| ANZ | 3.94 | 3.98 |
| BHP | 13.55 | 13.60 |
| Boral | 3.40 | 3.40 |
| Bougainville | 0.70 | 0.70 |
| Coles Myer | 11.05 | 11.10 |
| Comalco | 4.05 | 4.10 |
| CRA | 14.10 | 14.25 |
| CSR | 5.30 | 5.40 |
| Dunlop | 5.14 | 5.14 |
| Fosters Brew | 1.77 | 1.78 |
| ICI Australia | 4.22 | 4.23 |
| Magellan | 2.20 | 2.20 |
| MIM | 2.09 | 2.12 |
| Nat Aust Bank | 7.08 | 7.06 |
| News Corp | 8.24 | 8.32 |
| Nine Network | 0.57 | 0.55 |
| N Broken Hill | 2.53 | 2.54 |
| Poseidon | 1.28 | 1.21 |
| QCT Resources | 1.34 | 1.34 |
| Santos | 3.47 | 3.53 |
| TNT | 0.78 | 0.78 |
| Western Mining | 5.58 | 5.66 |
| Westpac Banking | 4.67 | 4.72 |
| Woodside | 3.37 | 3.40 |

All Ordinaries Index : 1574.90
Previous : 1582.90

**Tokyo**

| | Close | Prev. |
|---|---|---|
| Akai Electr | 1150 | 1140 |
| Asahi Chemical | 749 | 749 |
| Asahi Glass | 1210 | 1210 |
| Bank of Tokyo | 1310 | 1320 |
| Bridgestone | 1070 | 1050 |
| Canon | 1550 | 1540 |
| Casio | 1450 | 1460 |
| C.Itoh | 646 | 650 |
| Dai Nippon Print | 1490 | 1510 |
| Daiwa House | 1920 | 1900 |
| Daiwa Securities | 1270 | 1310 |
| Fanuc | 5130 | 5180 |
| Fuji Bank | 2570 | 2580 |
| Fuji Photo | 3530 | 3560 |
| Fujitsu | 1050 | 1080 |
| Hitachi | 1140 | 1170 |
| Hitachi Cable | 1100 | 1110 |
| Honda | 1500 | 1490 |
| Ito Yokado | 4550 | 4580 |
| Japan Airlines | 1200 | 1180 |
| Kajima | 1470 | 1490 |
| Kansai Power | 2820 | 2840 |
| Kawasaki Steel | 402 | 406 |
| Kirin Brewery | 1490 | 1490 |
| Komatsu | 861 | 872 |
| Kubota | 682 | 685 |
| Kyocera | 6260 | 6300 |
| Matsu Elec Inds | 1700 | 1710 |
| Matsu Elec Wks | 1560 | 1600 |
| Mitsubishi Bk | 2580 | 2530 |
| Mitsubishi Kasei | 515 | 515 |
| Mitsubishi Elec | 681 | 698 |
| Mitsubishi Hev | 722 | 721 |
| Mitsubishi Corp | 1280 | 1300 |
| Mitsui and Co | 745 | 758 |
| Mitsukoshi | 1250 | 1260 |
| Mitsumi | 1670 | 1710 |
| NEC | 1460 | 1470 |
| NGK Insulators | 1060 | 1070 |
| Nikko Securities | 960 | 975 |
| Nippon Kogaku | 1140 | 1160 |
| Nippon Oil | 991 | 999 |
| Nippon Steel | 417 | 419 |
| Nippon Yusen | 610 | 618 |
| Nissan | 734 | 733 |
| Nomura Sec | 1800 | 1840 |
| NTT (SF) | 9155 | 9290 |
| Olympus Optical | 1290 | 1290 |
| Pioneer | 3910 | 3930 |
| Ricoh | 705 | 712 |
| Sanyo Elec | 561 | 561 |
| Sharp | 1600 | 1620 |
| Shimazu | 775 | 771 |
| Shinetsu Chem | 1630 | 1630 |
| Sony | 6150 | 6290 |
| Sumitomo Bk | 2210 | 2240 |
| Sumitomo Chem | 459 | 459 |
| Sumi Marine | 968 | 967 |
| Sumitomo Metal | 439 | 440 |
| Taisei Corp | 983 | 920 |
| Taisho Marine | 981 | 1020 |
| Takeda Chem | 1560 | 1600 |
| TDK | 6140 | 6150 |
| Teijin | 545 | 549 |
| Tokyo Marine | 1280 | 1280 |
| Tokyo Elec Pw | 3620 | 3640 |
| Toppan Printing | 1380 | 1390 |
| Toray Ind. | 645 | 650 |
| Toshiba | 745 | 752 |
| Toyota | 1650 | 1650 |
| Yamaichi Sec | 940 | 960 |

Nikkei 225 : 23833
Previous : 24028
Topix Index : 1834
Previous : 1847

**Market Closed**

The stock market in Toronto was closed Monday for a holiday.

**Zurich**

| | Close | Prev. |
|---|---|---|
| Adia Intl | 893 | 897 |
| Alusuisse | 1105 | 1120 |
| Leu Holdings | 1700 | 1700 |
| Brown Boveri | 4840 | 4840 |
| Ciba Geigy | 2950 | 2980 |
| CS Holding | 2040 | 2050 |
| Elektrow | 2810 | 2820 |
| Fischer | 1420 | 1425 |
| Interdiscount | 3200 | 3260 |
| Jacobs Suchard | 8500 | 8500 |
| Jelmoli | 1570 | 1535 |
| Landis Gyr | 1100 | 1110 |
| Moevenpick | 4230 | 4250 |
| Nestle | 8480 | 8730 |
| Oerlikon-B | 461 | 451 |
| Pargesa Hld | 1290 | 1290 |
| Roche Holding B | 4935 | 4950 |
| Safra Republic | 92 | 92 |
| Sandoz | 2280 | 2300 |
| Schindler | 5200 | 5200 |
| Sulzer | 430 | 435 |
| Surveillance | 7600 | 7640 |
| Swissair | 790 | 795 |
| SBC | 332 | 332 |
| Swiss Reinsur | 552 | 554 |
| Swiss Volksbank | 1325 | 1330 |
| Union Bank | 3590 | 3600 |
| Winterthur | 3890 | 3920 |
| Zurich Ins | 2190 | 2190 |

SBS Index : 631.70
Previous : 634.20

For investment information
read THE MONEY REPORT every Saturday in the IHT

# U.S. FUTURES

Via Associated Press Aug. 5

**Grains**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **WHEAT (CBT)** 5,000 bu minimum- dollars per bushel | | | | | | | |
| 3.26 | 2.58½ | Sep | 2.92 | 2.94½ | 2.89 | 2.90¾ | —.07¼ |
| 3.25 | 2.72½ | Dec | 3.07¾ | 3.08½ | 3.02¾ | 3.04¼ | —.06½ |
| 3.70¾ | 2.79 | Mar | 3.10 | 3.14½ | 3.08½ | 3.10 | —.05¾ |
| 3.31 | 2.80½ | May | 3.09½ | 3.11 | 3.06¾ | 3.07½ | —.07½ |
| 3.11 | 2.79½ | Jul | 3.01 | 3.03 | 2.98½ | 2.99¾ | —.06¼ |
| 3.11 | 3.11 | Sep | | | | 3.05 | —.06 |
| Est. Sales Prev. Sales 11,126 | | | | | | | |
| Prev. Day Open Int. 54,588 off 1,101 | | | | | | | |
| **WHEAT (KCBT)** 5,000 bu minimum- dollars per bushel | | | | | | | |
| | | Sep | 2.92 | 2.95½ | 2.90 | 2.90¼ | —.09 |
| | | Dec | 3.02 | 3.04½ | 2.99½ | 2.99½ | —.07 |
| | | Mar | 3.07½ | 3.09¼ | 3.04 | 3.04¼ | —.09½ |
| | | May | 3.02 | 3.04½ | 2.98½ | 2.98½ | —.09½ |
| | | Jul | 2.98 | 2.98½ | 2.94 | 2.96 | —.06 |
| Est.Sales Prv.Sales 8,730 Prev.Day Open Int 41,643 Chg. +781 | | | | | | | |
| **CORN (CBT)** 5,000 bu minimum- dollars per bushel | | | | | | | |
| 2.87½ | 2.18½ | Sep | 2.53½ | 2.58 | 2.52¼ | 2.52¾ | —.10 |
| 2.75 | 2.28 | Dec | 2.60¾ | 2.64 | 2.58½ | 2.58½ | —.10 |
| 2.77¼ | 2.28½ | Mar | 2.70 | 2.70 | 2.65 | 2.65 | —.10 |
| 2.79½ | 2.34¾ | May | 2.68¾ | 2.73¼ | 2.68¾ | 2.68¾ | —.10 |
| 2.82 | 2.39½ | Jul | 2.71 | 2.75¼ | 2.70 | 2.70½ | —.09¾ |
| 2.65 | 2.36½ | Sep | 2.60 | 2.61½ | 2.54 | 2.56¼ | —.05¼ |
| 2.59¾ | 2.36½ | Dec | 2.54 | 2.55 | 2.51 | 2.51½ | —.04 |
| Est. Sales Prev. Sales 66,837 | | | | | | | |
| Prev. Day Open Int.235,892 up 4,007 | | | | | | | |
| **SOYBEANS (CBT)** 5,000 bu minimum- dollars per bushel | | | | | | | |
| 6.95 | .00¼ | Aug | 6.14 | 6.14 | 5.90 | 5.91½ | —.45½ |
| 6.54 | 5.13½ | Sep | 6.12¾ | 6.18½ | 6.12¾ | 6.12¾ | —.30 |
| 6.74 | 5.17 | Nov | 6.27½ | 6.27½ | 6.17¼ | 6.17½ | —.30 |
| 6.59 | 5.27½ | Jan | 6.37 | 6.37 | 6.27½ | 6.27½ | —.30 |
| 6.66 | 5.38 | Mar | 6.38 | 6.46 | 6.33½ | 6.33½ | —.30 |
| 6.68 | 5.47 | May | 6.40 | 6.51 | 6.38 | 6.38 | —.30 |
| 6.68 | 5.87 | Jul | 6.47 | 6.53 | 6.36 | 6.36 | —.30 |
| 6.60 | 6.14 | Aug | | | | 6.30 | —.38 |
| 6.28 | 5.57 | Sep | 6.13 | 6.13 | 5.96 | 5.95 | —.30 |
| 6.20¾ | 5.52 | Nov | 5.98 | 6.02 | 5.84½ | 5.85¼ | —.28¼ |
| Est. Sales Prev. Sales 82,787 | | | | | | | |
| Prev. Day Open Int. 96,965 up 4,016 | | | | | | | |
| **SOYBEAN MEAL (CBT)** 100 tons- dollars per ton | | | | | | | |
| 196.00 | 159.70 | Aug | 190.00 | 190.50 | 185.00 | 185.20 | —10.30 |
| 195.20 | 160.00 | Sep | 188.00 | 188.50 | 185.00 | 185.00 | —10.00 |
| 195.00 | 159.90 | Oct | 187.00 | 187.50 | 184.70 | 184.70 | —10.00 |
| 196.50 | 160.00 | Dec | 188.00 | 188.50 | 185.70 | 185.70 | —10.00 |
| 197.00 | 161.30 | Jan | 187.00 | 188.50 | 186.00 | 186.00 | —10.00 |
| 1180.00 | 163.50 | Mar | 186.50 | 188.50 | 186.50 | 186.50 | —10.00 |
| 194.00 | 164.50 | May | 188.00 | 189.00 | 184.50 | 184.50 | —9.50 |
| 196.00 | 166.00 | Jul | 186.50 | 189.00 | 185.50 | 185.50 | —10.00 |
| Est. Sales Prev. Sales 27,156 | | | | | | | |
| Prev. Day Open Int. 55,091 up 1,141 | | | | | | | |
| **SOYBEAN OIL (CBT)** 60,000 lbs- dollars per 100 lbs. | | | | | | | |
| 25.50 | 18.18 | Aug | 22.20 | 22.30 | 21.63 | 21.64 | —.93 |
| 25.10 | 18.37 | Sep | 22.01 | 22.40 | 21.75 | 21.76 | —.95 |
| 24.90 | 18.50 | Oct | 21.90 | 22.50 | 21.86 | 21.92 | —.94 |
| 24.05 | 18.81 | Dec | 22.77 | 22.99 | 22.27 | 22.28 | —.99 |
| 24.15 | 19.00 | Jan | 22.45 | 23.20 | 22.45 | 22.42 | —.96 |
| 24.10 | 19.32 | Mar | 23.35 | 23.35 | 22.72 | 22.72 | —.93 |
| 23.90 | 19.62 | May | 23.60 | 23.60 | 23.60 | 22.96 | —.79 |
| 24.30 | 19.90 | Jul | 23.85 | 23.85 | 23.30 | 23.15 | —.85 |
| 22.10 | 20.05 | Aug | | | | 23.12 | —.90 |
| Est. Sales Prev. Sales 27,751 | | | | | | | |
| Prev. Day Open Int. 74,330 off 887 | | | | | | | |

**Livestock**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **CATTLE (CME)** 40,000 lbs.- cents per lb. | | | | | | | |
| 75.80 | 69.50 | Aug | 69.85 | 70.40 | 69.65 | 69.67 | —.23 |
| 76.90 | 70.70 | Oct | 72.70 | 73.30 | 72.52 | 72.67 | —.15 |
| 77.00 | 71.75 | Dec | 74.60 | 74.90 | 74.22 | 74.42 | —.13 |
| 76.70 | 72.80 | Feb | 74.30 | 74.50 | 73.85 | 74.00 | —.37 |
| 77.00 | 74.80 | Apr | 74.85 | 75.20 | 74.55 | 74.55 | —.35 |
| 75.15 | 72.60 | Jun | 73.20 | 73.50 | 72.75 | 73.15 | —.20 |
| 72.60 | 72.00 | Aug | 72.30 | 72.30 | 72.10 | 72.10 | —.15 |
| Est. Sales 18,854 Prev. Sales 24,873 | | | | | | | |
| Prev. Day Open Int. 68,737 off 2,481 | | | | | | | |
| **FEEDER CATTLE (CME)** 44,000 lbs.- cents per lb. | | | | | | | |
| 90.15 | 80.20 | Aug | 84.50 | 84.65 | 84.45 | 84.17 | +.72 |
| 88.95 | 79.75 | Sep | 84.50 | 85.30 | 84.25 | 84.75 | +.65 |
| 88.30 | 80.20 | Oct | 84.25 | 85.00 | 84.05 | 84.42 | +.70 |
| 88.10 | 81.20 | Nov | 84.80 | 85.15 | 84.15 | 84.55 | +.80 |
| 87.80 | 83.50 | Jan | 84.50 | 85.00 | 84.15 | 84.25 | +.35 |
| 87.10 | 82.80 | Mar | 83.80 | 84.25 | 83.50 | 83.65 | +.25 |
| 87.00 | 82.60 | Apr | 83.50 | 83.50 | 83.15 | 83.15 | +.10 |
| 84.50 | 82.00 | May | 82.30 | 82.30 | 82.30 | 82.16 | |
| Est. Sales 4,593 Prev. Sales 5,667 | | | | | | | |
| Prev. Day Open Int. 14,288 off 362 | | | | | | | |
| **HOGS (CME)** 40,000 lbs.- cents per lb. | | | | | | | |
| 55.50 | 46.90 | Aug | 52.30 | 52.70 | 52.02 | 52.67 | +.47 |
| 49.55 | 42.50 | Oct | 43.60 | 43.95 | 43.25 | 43.52 | —.23 |
| 48.92 | 42.85 | Dec | 43.82 | 44.10 | 43.50 | 43.65 | —.17 |
| 48.25 | 42.85 | Feb | 44.20 | 44.50 | 43.85 | 44.15 | —.25 |
| 46.62 | 41.50 | Apr | 42.80 | 43.20 | 42.70 | 42.72 | —.08 |
| 50.60 | 45.70 | Jun | 47.27 | 47.25 | 47.15 | 47.15 | +.10 |
| 48.20 | 45.80 | Jul | 47.55 | 47.65 | 47.30 | 47.45 | —.10 |
| 44.85 | 46.00 | Aug | 46.00 | 46.00 | 46.00 | 46.00 | |
| Est. Sales 5,753 Prev. Sales 8,635 | | | | | | | |
| Prev. Day Open Int. 18,120 off 285 | | | | | | | |
| **PORK BELLIES (CME)** 40,000 lbs.- cents per lb. | | | | | | | |
| 70.05 | 40.30 | Aug | 43.25 | 43.55 | 42.70 | 42.77 | —.55 |
| 63.00 | 45.10 | Feb | 49.00 | 49.80 | 47.62 | 47.62 | —2.00 |
| 61.00 | 44.75 | Mar | 48.70 | 48.70 | 47.20 | 47.22 | —1.98 |
| 58.20 | 46.20 | May | 48.80 | 48.80 | 48.10 | 48.10 | —1.90 |
| 57.00 | 47.50 | Jul | 50.00 | 50.00 | 50.00 | 50.00 | —2.00 |
| 51.00 | 45.67 | Aug | 48.42 | 48.42 | 46.52 | 46.52 | —2.00 |
| Est. Sales 1,789 Prev. Sales 2,349 | | | | | | | |
| Prev. Day Open Int. 6,083 up 98 | | | | | | | |

**Food**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **COFFEE C (NYCSCE)** 37,500 lbs.- cents per lb. | | | | | | | |
| 113.50 | 79.60 | Sep | 82.40 | 83.35 | 82.10 | 82.90 | +.35 |
| 116.00 | 83.05 | Dec | 85.75 | 86.80 | 85.65 | 86.40 | +.35 |
| 107.50 | 86.25 | Mar | 89.00 | 90.00 | 88.90 | 89.50 | +.35 |
| 108.00 | 88.50 | May | 91.20 | 91.80 | 91.00 | 91.70 | +.30 |
| 108.00 | 91.40 | Jul | 93.25 | 93.80 | 92.25 | 93.75 | +.15 |
| 108.00 | 95.00 | Sep | 96.00 | 96.00 | 96.00 | 96.40 | +.65 |
| 103.25 | 100.50 | Dec | | | | 99.00 | +.60 |
| Est. Sales 6,003 Prev. Sales 4,734 | | | | | | | |
| Prev. Day Open Int. 41,514 off 1,139 | | | | | | | |
| **SUGARWORLD 11 (NYCSCE)** 112,000 lbs.- cents per lb. | | | | | | | |
| 14.40 | 7.45 | Oct | 9.55 | 9.62 | 9.49 | 9.54 | —.03 |
| 10.14 | 7.56 | Mar | 8.87 | 8.95 | 8.84 | 8.91 | —.03 |
| 9.77 | 7.65 | May | 8.83 | 8.89 | 8.82 | 8.85 | +.02 |
| 9.05 | 7.85 | Jul | 8.84 | 8.86 | 8.84 | 8.86 | +.03 |
| 9.00 | 8.05 | Oct | | | | 8.89 | —.01 |
| Est. Sales 8,340 Prev. Sales 25,810 | | | | | | | |
| Prev. Day Open Int.117,509 up 2,054 | | | | | | | |
| **COCOA (NYCSCE)** 10 metric tons- $ per ton | | | | | | | |
| 1515 | 893 | Sep | 1075 | 1097 | 1055 | 1089 | +18 |
| 1535 | 953 | Dec | 1128 | 1158 | 1115 | 1149 | +19 |
| 1538 | 997 | Mar | 1170 | 1198 | 1155 | 1184 | +14 |
| 1385 | 1026 | May | 1191 | 1210 | 1188 | 1218 | +18 |
| 1285 | 1056 | Jul | 1220 | 1225 | 1209 | 1235 | +10 |
| 1235 | 1080 | Sep | 1250 | 1250 | 1250 | 1260 | +12 |
| 1272 | 1119 | Dec | 1263 | 1280 | 1263 | 1295 | +12 |
| 1319 | 1285 | Mar | 1315 | 1320 | 1315 | 1325 | +22 |
| 1335 | 1210 | May | | | | 1360 | +22 |
| Est. Sales 7,211 Prev. Sales 16,088 | | | | | | | |
| Prev. Day Open Int. 57,521 up 2,416 | | | | | | | |
| **ORANGE JUICE (NYCE)** 15,000 lbs.- cents per lb. | | | | | | | |
| 127.00 | 106.00 | Sep | 117.50 | 118.90 | 117.50 | 117.65 | +.15 |
| 121.80 | 112.00 | Nov | 116.75 | 118.30 | 116.75 | 117.65 | +.75 |
| 120.50 | 113.40 | Jan | 116.00 | 117.20 | 116.00 | 116.40 | +.90 |
| 120.80 | 113.60 | Mar | 117.50 | 117.90 | 117.00 | 117.00 | |
| 120.00 | 115.00 | May | 118.00 | 118.00 | 118.00 | 117.25 | +.25 |
| 119.00 | 116.00 | Jul | | | | 117.25 | +.20 |
| | | Sep | | | | 117.25 | +.20 |
| Est. Sales Prev Sales 772 | | | | | | | |
| Prev. Day Open Int. 6,044 up 300 | | | | | | | |

**Metals**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **HI GRADE COPPER (COMEX)** 25,000 lbs.- cents per lb. | | | | | | | |
| 109.00 | 94.10 | Aug | 99.95 | 101.10 | 99.95 | 101.20 | +.95 |
| 110.50 | 92.20 | Sep | 100.40 | 101.50 | 100.25 | 101.45 | +.70 |
| 106.90 | 92.30 | Oct | 100.95 | 101.10 | 100.95 | 101.10 | +.70 |
| 105.00 | 95.10 | Nov | | | | 100.65 | +.60 |
| 108.50 | 94.50 | Dec | 99.50 | 100.40 | 99.30 | 100.30 | +.60 |
| 104.50 | 95.00 | Jan | | | | 99.85 | +.60 |
| 105.10 | 94.00 | Feb | | | | 99.40 | +.60 |
| 106.80 | 93.90 | Mar | 98.40 | 98.70 | 98.40 | 98.90 | +.50 |
| 99.10 | 93.50 | Apr | | | | 98.40 | +.50 |
| 106.20 | 93.30 | May | | | | 97.90 | +.45 |
| 97.50 | 95.10 | Jun | | | | 97.45 | +.45 |
| 103.80 | 92.80 | Jul | | | | 97.00 | +.45 |
| 102.45 | 92.80 | Sep | 95.85 | 95.85 | 95.85 | 96.20 | +.45 |
| 100.50 | 91.60 | Dec | 95.50 | 95.50 | 95.35 | 95.65 | +.45 |
| 93.45 | 2.50 | Jan | | | | 95.40 | +.45 |
| 96.65 | 92.80 | Mar | | | | 95.05 | +.40 |
| | | May | | | | 94.85 | +.45 |
| Est. Sales 25,000 Prev. Sales 12,511 | | | | | | | |
| Prev. Day Open Int. 31,714 | | | | | | | |
| **SILVER (COMEX)** 5,000 troy oz.- cents per troy oz. | | | | | | | |
| 446.0 | 401.0 | Aug | 388.0 | 392.0 | 388.0 | 392.1 | +.6 |
| 654.0 | 367.5 | Sep | 391.5 | 395.0 | 389.0 | 394.0 | +.5 |
| 398.0 | 398.0 | Oct | | | | 396.2 | +.5 |
| 623.5 | 374.0 | Dec | 399.0 | 402.0 | 395.0 | 400.7 | +.5 |
| 596.0 | 402.0 | Jan | | | | 402.2 | +.5 |
| 613.0 | 382.0 | Mar | 403.0 | 408.5 | 403.0 | 407.8 | +.4 |
| 589.0 | 385.0 | May | 412.0 | 412.5 | 412.0 | 412.6 | +.4 |
| 557.0 | 395.0 | Jul | | | | 417.4 | +.4 |
| 483.0 | 412.0 | Sep | 422.0 | 422.5 | 422.0 | 422.4 | +.3 |
| 507.0 | 408.0 | Dec | 431.0 | 432.0 | 431.0 | 430.5 | +.3 |
| 585.0 | 440.0 | Jan | | | | 433.4 | +.3 |
| 512.8 | 444.5 | Mar | 439.0 | 439.0 | 437.5 | 439.2 | +.3 |
| 473.0 | 462.0 | May | 443.0 | 444.0 | 443.0 | 445.2 | +.3 |
| Est. Sales 9,000 Prev. Sales 31,073 | | | | | | | |
| Prev. Day Open Int. 99,106 | | | | | | | |
| **PLATINUM (NYME)** 50 troy oz.- dollars per troy oz. | | | | | | | |
| 513.00 | 354.00 | Oct | 350.60 | 355.00 | 350.50 | 354.40 | —.70 |
| 451.50 | 360.00 | Jan | 356.50 | 360.00 | 355.50 | 359.20 | —.60 |
| 438.50 | 365.00 | Apr | 361.00 | 361.00 | 361.00 | 363.20 | —.60 |
| 427.50 | 376.50 | Jul | | | | 367.10 | —.60 |
| 404.00 | 379.00 | Oct | 375.00 | 375.00 | 375.00 | 373.10 | —.60 |
| Est. Sales 8,791 Prev. Sales 2,721 | | | | | | | |
| Prev. Day Open Int. 19,309 up 9 | | | | | | | |
| **PALLADIUM (NYME)** 100 troy oz- dollars per oz | | | | | | | |
| 119.40 | 80.75 | Sep | 84.25 | 84.75 | 84.25 | 84.75 | —.15 |
| 114.50 | 82.50 | Dec | 86.00 | 86.25 | 85.00 | 86.05 | +.05 |
| 125.75 | 87.75 | Mar | 86.75 | 87.00 | 86.75 | 87.00 | +.10 |
| 101.75 | 89.95 | Jun | | | | 88.50 | +.10 |
| Est. Sales 511 Prev. Sales 533 | | | | | | | |
| Prev. Day Open Int. 4,422 up 36 | | | | | | | |
| **GOLD (COMEX)** 100 troy oz.- dollars per troy oz. | | | | | | | |
| 468.00 | 333.90 | Aug | 354.80 | 356.50 | 354.00 | 356.20 | +.60 |
| 375.00 | 363.50 | Sep | 355.50 | 357.00 | 355.50 | 357.60 | +.50 |
| 476.00 | 357.50 | Oct | 357.80 | 359.80 | 356.90 | 359.30 | +.40 |
| 403.00 | 360.80 | Dec | 361.50 | 363.20 | 360.20 | 362.70 | +.40 |
| 456.50 | 365.00 | Feb | 365.80 | 366.20 | 363.70 | 366.00 | +.40 |
| 446.00 | 368.00 | Apr | 367.30 | 369.20 | 367.30 | 369.20 | +.40 |
| 467.00 | 372.20 | Jun | 370.80 | 370.80 | 370.80 | 372.60 | +.40 |
| 426.50 | 377.50 | Aug | | | | 376.00 | +.40 |
| 410.80 | 379.00 | Oct | | | | 379.40 | +.40 |
| 406.80 | 381.80 | Dec | | | | 383.00 | +.40 |
| 404.20 | 404.20 | Feb | | | | 386.80 | +.40 |
| 410.00 | 398.50 | Apr | 388.50 | 388.50 | 388.50 | 390.50 | +.30 |
| 411.80 | 395.00 | Jun | 394.30 | 394.30 | 394.30 | 394.50 | +.20 |
| Est. Sales 25,000 Prev. Sales 59,494 | | | | | | | |
| Prev. Day Open Int.985,323 | | | | | | | |

**Financial**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **US T. BILLS (IMM)** $1 million- pts of 100 pct. | | | | | | | |
| 94.64 | 91.60 | Sep | 94.58 | 94.59 | 94.56 | 94.57 | —.02 |
| 94.47 | 92.24 | Dec | 94.42 | 94.43 | 94.38 | 94.41 | |
| 94.38 | 93.42 | Mar | 94.36 | 94.36 | 94.33 | 94.35 | —.01 |
| 93.80 | 93.15 | Jun | 93.98 | 93.98 | 93.94 | 93.95 | +.01 |
| | | Sep | | | | 93.48 | |
| Est. Sales Prev. Sales 17,377 | | | | | | | |
| Prev. Day Open Int. 58,612 up 897 | | | | | | | |
| **5 YR. TREASURY (CBT)** $100,000 prin- pts & 32nds of 100 pct | | | | | | | |
| 101.065 | 98.275 | Sep | 101.040 | 101.065 | 101.030 | 101.060 | +.010 |
| 00.170 | 98.190 | Dec | 100.145 | 100.175 | 100.135 | 100.175 | +.015 |
| 99.290 | 99.250 | Mar | | | | 99.305 | +.015 |
| Est. Sales Prev. Sales 12,986 | | | | | | | |
| Prev. Day Open Int. 79,536 up 968 | | | | | | | |
| **10 YR. TREASURY (CBT)** $100,000 prin- pts & 32nds of 100 pct | | | | | | | |
| 100-1 | 96-1 | Sep | 99-8 | 99-12 | 99-4 | 99-11 | +2 |
| 98-19 | 95-15 | Dec | 98-15 | 98-22 | 98-15 | 98-21 | +2 |
| 97-5 | 95-8 | Mar | | | | 98-2 | +2 |
| Est. Sales Prev. Sales 34,564 | | | | | | | |
| Prev. Day Open Int. 84,503 up 1,826 | | | | | | | |
| **US TREASURY BONDS (CBT)** (8 pct-$100,000-pts & 32nds of 100 pct) | | | | | | | |
| 99-5 | 85-29 | Sep | 95-31 | 96-4 | 95-23 | 96-3 | +5 |
| 98-20 | 85-19 | Dec | 95-6 | 95-12 | 95 | 95-10 | +4 |
| 98-13 | 85-14 | Mar | 94-15 | 94-20 | 94-11 | 94-20 | +4 |
| 97-19 | 85-3 | Jun | 93-25 | 93-30 | 93-23 | 93-30 | +4 |
| 95-8 | 87-14 | Sep | 93-3 | 93-9 | 93-3 | 93-9 | +4 |
| 94-11 | 85-6 | Dec | 92-15 | 92-21 | 92-15 | 92-21 | +4 |
| 94-26 | 90-16 | Mar | 91-30 | 92-2 | 91-30 | 92-2 | +4 |
| 90-22 | 90-22 | Jun | | | | 91-15 | +3 |
| 91 | 90 | Sep | | | | 90-30 | +3 |
| | | Dec | | | | 90-14 | +3 |
| Est. Sales Prev. Sales401,016 | | | | | | | |
| Prev. Day Open Int.304,012 up 6,519 | | | | | | | |
| **MUNICIPAL BONDS (CBT)** $1000x index-pts & 32nds of 100 pct | | | | | | | |
| 92-29 | 84-7 | Sep | 92-22 | 92-29 | 92-22 | 92-25 | —1 |
| 92 | 88-16 | Dec | 91-26 | 91-31 | 91-26 | 91-29 | —1 |
| 91-20 | 88 | Mar | | | | 91-15 | —1 |
| Est. Sales Prev. Sales 3,594 | | | | | | | |
| Prev. Day Open Int. 7,063 up 691 | | | | | | | |
| **EURODOLLARS (IMM)** $1 million-pts of 100 pct. | | | | | | | |
| 94.06 | 90.04 | Sep | 94.03 | 94.05 | 94.02 | 94.02 | |
| 93.70 | 90.04 | Dec | 93.66 | 93.68 | 93.65 | 93.66 | |
| 93.65 | 90.09 | Mar | 93.61 | 93.61 | 93.59 | 93.59 | —.01 |
| 93.20 | 90.15 | Jun | 93.20 | 93.20 | 93.18 | 93.18 | —.01 |
| 92.72 | 90.22 | Sep | 92.70 | 92.70 | 92.68 | 92.69 | —.01 |
| 92.16 | 90.24 | Dec | 92.16 | 92.16 | 92.14 | 92.16 | |
| 92.16 | 90.28 | Mar | 92.14 | 92.14 | 92.12 | 92.14 | |
| 91.96 | 90.27 | Jun | 91.94 | 91.94 | 91.92 | 91.94 | |
| 91.81 | 90.27 | Sep | 91.72 | 91.72 | 91.71 | 91.73 | |
| 91.66 | 90.22 | Dec | 91.44 | 91.44 | 91.41 | 91.44 | |
| 91.66 | 90.24 | Mar | 91.47 | 91.47 | 91.44 | 91.47 | |
| 91.57 | 90.40 | Jun | 91.36 | 91.37 | 91.34 | 91.37 | |
| 91.52 | 90.36 | Sep | 91.25 | 91.27 | 91.24 | 91.28 | |
| 91.44 | 90.71 | Dec | 91.08 | 91.10 | 91.07 | 91.10 | —.01 |
| 91.15 | 90.75 | Mar | 91.12 | 91.13 | 91.09 | 91.13 | —.01 |
| 91.10 | 90.71 | Jun | 91.06 | 91.08 | 91.06 | 91.07 | —.02 |
| Est. Sales 77,632 Prev. Sales343,516 | | | | | | | |
| Prev. Day Open Int.848,300 up 13,843 | | | | | | | |
| **BRITISH POUND (IMM)** $ per pound- 1 point equals $0.0001 | | | | | | | |
| 1.9340 | 1.5824 | Sep | 1.6834 | 1.7034 | 1.6818 | 1.7020 | +220 |
| 1.7900 | 1.5670 | Dec | 1.6660 | 1.6846 | 1.6638 | 1.6828 | +222 |
| 1.6510 | 1.5670 | Mar | 1.6472 | 1.6680 | 1.6472 | 1.6674 | +222 |
| Est. Sales Prev. Sales 24,998 | | | | | | | |
| Prev. Day Open Int. 21,105 off 578 | | | | | | | |
| **CANADIAN DOLLAR (IMM)** $ per dlr- 1 point equals $0.0001 | | | | | | | |
| .8718 | .7985 | Sep | .8668 | .8677 | .8667 | .8670 | +4 |
| .8667 | .8175 | Dec | .8614 | .8621 | .8614 | .8616 | +5 |
| .8630 | .8268 | Mar | .8570 | .8570 | .8570 | .8568 | +4 |
| .8585 | .8330 | Jun | | | | .8520 | +4 |
| .8480 | .8420 | Sep | | | | .8474 | +4 |
| Est. Sales Prev. Sales 1,400 | | | | | | | |
| Prev. Day Open Int. 22,246 up 127 | | | | | | | |
| **GERMAN MARK (IMM)** $ per mark- 1 point equals $0.0001 | | | | | | | |
| .6810 | .5481 | Sep | .5740 | .5807 | .5733 | .5805 | +86 |
| .4770 | .5365 | Dec | .5690 | .5757 | .5684 | .5755 | +85 |
| .5840 | .5353 | Mar | .5655 | .5700 | .5655 | .5711 | +81 |
| .5540 | .5355 | Jun | | | | .5672 | +78 |
| Est. Sales Prev. Sales 55,718 | | | | | | | |
| Prev. Day Open Int. 68,875 up 3,476 | | | | | | | |
| **JAPANESE YEN (IMM)** $ per yen- 1 point equals $0.000001 | | | | | | | |
| .007870 | .007003 | Sep | .007276 | .007312 | .007274 | .007299 | +24 |
| .007359 | .006997 | Dec | .007257 | .007293 | .007257 | .007277 | +23 |
| .007302 | .007000 | Mar | | | | .007271 | +23 |
| .007220 | .007150 | Jun | | | | .007269 | +23 |
| Est. Sales Prev. Sales 26,263 | | | | | | | |
| Prev. Day Open Int. 49,845 up 517 | | | | | | | |
| **SWISS FRANC (IMM)** $ per franc- 1 point equals $0.0001 | | | | | | | |
| .8055 | .6254 | Sep | .6604 | .6675 | .6595 | .6673 | +80 |
| .8090 | .6240 | Dec | .6575 | .6645 | .6566 | .6642 | +80 |
| .6995 | .6267 | Mar | .6568 | .6605 | .6568 | .6617 | +77 |
| Est. Sales Prev. Sales 39,170 | | | | | | | |
| Prev. Day Open Int. 36,217 | | | | | | | |

**Industrials**

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **COTTON 2 (NYCE)** 50,000 lbs.- cents per lb. | | | | | | | |
| 83.30 | 66.77 | Oct | 69.75 | 70.00 | 69.25 | 69.81 | —.33 |
| 76.35 | 63.75 | Dec | 69.86 | 69.99 | 69.42 | 69.74 | —.34 |
| 77.15 | 64.65 | Mar | 71.25 | 71.30 | 70.85 | 70.95 | —.45 |
| 92.25 | 65.10 | May | 71.90 | 71.90 | 71.67 | 71.75 | —.40 |
| 77.70 | 66.50 | Jul | 72.48 | 72.40 | 72.40 | 72.45 | —.38 |
| 70.60 | 68.00 | Oct | 68.60 | 68.60 | 68.60 | 68.73 | +.10 |
| 69.00 | 67.20 | Dec | 68.10 | 68.20 | 68.05 | 68.05 | +.15 |
| Est. Sales 4,500 Prev. Sales 4,610 | | | | | | | |
| Prev. Day Open Int. 40,587 off 508 | | | | | | | |
| **HEATING OIL (NYME)** 42,000 gal- cents per gal | | | | | | | |
| 84.28 | 58.25 | Sep | 60.00 | 60.55 | 59.95 | 60.86 | +.26 |
| 85.00 | 51.30 | Oct | 61.10 | 61.50 | 60.90 | 61.15 | +.36 |
| 78.00 | 52.30 | Nov | 62.05 | 62.50 | 62.05 | 62.10 | +.28 |
| 82.62 | 53.30 | Dec | 62.85 | 63.45 | 62.85 | 63.08 | +.25 |
| 68.50 | 53.40 | Jan | 63.20 | 63.50 | 63.15 | 63.17 | +.23 |
| 62.40 | 52.25 | Feb | 61.90 | 62.20 | 61.90 | 61.87 | +.23 |
| 59.80 | 51.40 | Mar | 59.65 | 59.65 | 59.58 | 59.27 | +.23 |
| 57.65 | 50.00 | Apr | 57.20 | 57.20 | 57.20 | 57.07 | +.23 |
| 56.00 | 48.25 | May | 55.55 | 55.55 | 55.55 | 55.42 | +.23 |
| 55.20 | 48.00 | Jun | 54.50 | 54.70 | 54.30 | 55.42 | +.23 |
| 56.00 | 51.60 | Jul | 54.30 | 54.45 | 54.30 | 54.82 | +.23 |
| 55.00 | 52.75 | Aug | | | | 54.82 | +.23 |
| 55.50 | 53.75 | Sep | | | | 55.62 | +.23 |
| 56.50 | 56.50 | Oct | | | | 56.52 | +.23 |
| | | Nov | | | | 57.42 | +.23 |
| | | Dec | | | | 58.32 | +.23 |
| Est. Sales 13,923 Prev. Sales 16,444 | | | | | | | |
| Prev. Day Open Int.117,294 off 1,994 | | | | | | | |
| **CRUDE OIL (NYME)** 1,000 bbl.- dollars per bbl. | | | | | | | |
| 28.72 | 16.90 | Sep | 21.37 | 21.59 | 21.33 | 21.47 | +.15 |
| 28.40 | 17.04 | Oct | 21.35 | 21.53 | 21.30 | 21.41 | +.12 |
| 28.10 | 17.20 | Nov | 21.25 | 21.43 | 21.23 | 21.33 | +.11 |
| 27.70 | 17.10 | Dec | 21.13 | 21.32 | 21.12 | 21.22 | +.11 |
| 27.60 | 17.25 | Jan | 20.99 | 21.19 | 20.99 | 21.09 | +.10 |
| 27.00 | 17.50 | Feb | 20.91 | 21.06 | 20.91 | 20.95 | +.09 |
| 26.75 | 17.25 | Mar | 20.73 | 20.87 | 20.73 | 20.81 | +.08 |
| 26.50 | 17.50 | Apr | 20.70 | 20.74 | 20.70 | 20.69 | +.08 |
| 24.60 | 17.30 | May | 20.59 | 20.59 | 20.59 | 20.60 | +.07 |
| 24.50 | 17.70 | Jun | 20.50 | 20.60 | 20.50 | 20.56 | +.07 |
| 22.11 | 17.96 | Jul | | | | 20.52 | +.07 |
| 23.33 | 17.75 | Aug | | | | 20.52 | +.07 |
| 24.00 | 17.78 | Sep | | | | 20.53 | +.07 |
| 21.35 | 18.85 | Oct | | | | 20.55 | +.07 |
| 21.40 | 19.80 | Nov | | | | 20.57 | +.07 |
| 24.00 | 18.75 | Dec | | | | 20.60 | +.07 |
| 20.91 | 20.10 | Jan | | | | 20.62 | +.07 |
| 20.83 | 20.58 | Feb | | | | 20.64 | +.07 |
| 21.26 | 18.51 | Mar | | | | 20.67 | +.07 |
| 21.35 | 19.90 | Jun | | | | 20.75 | +.07 |
| Est. Sales 51,237 Prev. Sales 61,984 | | | | | | | |
| Prev. Day Open Int.275,314 off 1,330 | | | | | | | |
| **UNLEADED GASOLINE (NYME)** 42,000 gal- cents per gal | | | | | | | |
| 87.00 | 51.60 | Sep | 66.50 | 67.60 | 66.50 | 67.16 | +.76 |
| 86.75 | 49.75 | Oct | 62.85 | 63.50 | 62.85 | 63.05 | +.36 |
| 66.75 | 48.60 | Nov | 60.70 | 61.05 | 60.40 | 60.60 | +.10 |
| 75.25 | 47.75 | Dec | 59.10 | 59.45 | 59.00 | 58.90 | |
| 58.80 | 47.00 | Jan | 58.25 | 58.50 | 58.10 | 57.95 | —.30 |
| 58.75 | 50.70 | Feb | 58.40 | 58.50 | 58.10 | 58.05 | —.25 |
| 59.35 | 50.50 | Mar | | | | 58.55 | —.25 |
| 63.40 | 57.30 | Apr | 62.95 | 63.20 | 62.95 | 62.40 | —.35 |
| 63.00 | 57.30 | May | | | | 61.60 | —.35 |
| 62.00 | 58.00 | Jun | 61.75 | 61.75 | 61.75 | 60.60 | —.35 |
| 61.20 | 58.60 | Jul | | | | 59.35 | —.35 |
| 59.10 | 58.00 | Aug | | | | 58.10 | —.35 |
| Est. Sales 26,425 Prev. Sales 31,166 | | | | | | | |
| Prev. Day Open Int. 79,115 up 2,565 | | | | | | | |

**Stock Indexes**

(Indexes compiled shortly before market close)

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| **SP COMP. INDEX (CME)** points and cents | | | | | | | |
| 396.05 | 304.00 | Sep | 388.00 | 388.65 | 385.50 | 386.10 | —2.35 |
| 399.05 | 321.75 | Dec | 391.10 | 391.10 | 388.80 | 389.35 | —1.95 |
| Est. Sales Prev. Sales 36,965 | | | | | | | |
| Prev. Day Open Int.147,998 up 1,478 | | | | | | | |
| **NYSE COMP. INDEX (NYFE)** points and cents | | | | | | | |
| 216.40 | 173.10 | Sep | 212.40 | 212.80 | 211.10 | 211.55 | —1.20 |
| 217.60 | 175.50 | Dec | 214.00 | 214.00 | 212.60 | 213.10 | —1.10 |
| 217.90 | 207.20 | Mar | 215.45 | 215.45 | 215.45 | 215.45 | —.20 |
| Est. Sales Prev. Sales 4,705 | | | | | | | |
| Prev. Day Open Int. 5,308 | | | | | | | |

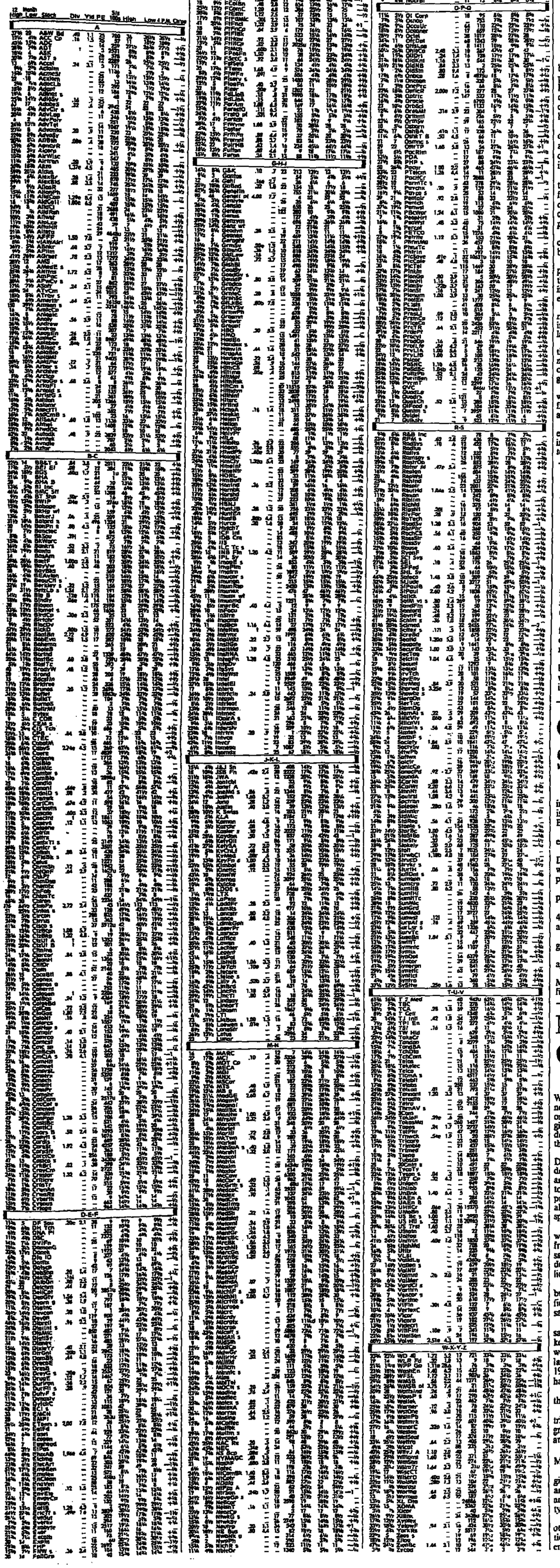
**Commodity Indexes**

| | Close | Previous |
|---|---|---|
| Moody's | 1,055.30 | 1,062.90 |
| Reuters | 1,700.80 | 1,704.30 |
| Dow Jones Futures | 122.86 | 123.49 |
| Comm. Research | 214.81 | 216.54 |

# NASDAQ

**Monday's Prices**

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



# British Pay Raises Shrank in 2d Period

*United Press International*

LONDON — An influential business group said Monday that pay raises in British manufacturing have registered their sharpest decline in a decade, amid mounting calls for interest-rate reductions to help firms ride out the recession.

The Confederation of British Industry said wage raises fell to an average of 6.5 percent in the second quarter, compared with 8.1 percent in the previous three months.

Almost one in seven manufacturers was imposing a pay freeze for up to six months in the latest quarter, the confederation said, compared with one in 10 in the previous quarter.

The confederation said it welcomed the signs that inflation was being brought under control.

The survey revealed a wide disparity in wage increases, indicating that more companies were awarding raises linked to their individual economic performance.

It also showed that the average rise in salaries was still topping inflation, which ran at 5.8 percent last month.

The confederation has called on the government to help ailing businesses by cutting interest rates by one percentage point, a move the government has resisted.

The government has said it wants to make sure inflation is firmly under control before taking any action to lower rates.

An organization of construction employers echoed the call for an interest-rate reduction Monday after saying it thought there would be a further 100,000 jobs lost in the industry by the middle of next year.

The chairman of the Building Employers Confederation, John Smith, said he estimated that 150,000 jobs had already been lost since the recession began to bite in the middle of 1989.

He said there were no signs of any recovery in the industry's prospects.

"I fear that by the middle of 1992 this figure may well reach a quarter of a million," he added.

Saying that the level of training was also falling sharply, he added that construction output in the first quarter of 1991 was 8 percent lower than in the same period of the previous year.

There is little prospect that the decline in the level of output will abate in the continuing year.

## ■ French Firms Overstaffed

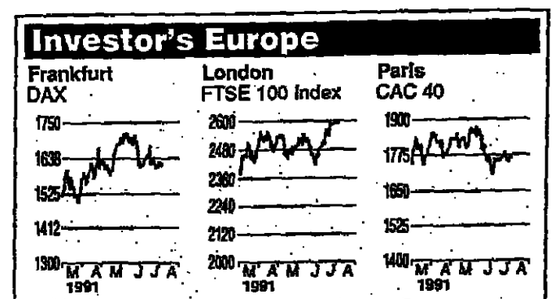
Almost a third of French companies surveyed said they were overstaffed, according to a Bank of France study undertaken in July, Reuters reported Monday.

Among a sample of 2,627 companies, the survey found that 30 percent reported overemployment. The other 70 percent said staffing levels were about right.

About 20 percent of the sample, or 64 percent of those that said they were overstaffed, would be looking at cutbacks before year-end.

On the other hand, 18 percent of all the companies said they were thinking of recruiting new workers if order books filled up after the holiday season.

## Investor's Europe




| Exchange | Index | Monday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Amsterdam | CBS Trend | 93.10 | 93.80 | -0.75 |
| Brussels | Stock Index | 5,732.35 | 5,738.60 | -0.11 |
| Frankfurt | DAX | 1,622.03 | 1,615.36 | +0.41 |
| Frankfurt | FAZ | 673.33 | 669.85 | +0.52 |
| Helsinki | HEX | 1,005.30 | 1,015.20 | -0.98 |
| London | Financial Times 30 | 1,999.40 | 2,013.80 | -0.72 |
| London | FTSE 100 | 2,585.00 | 2,601.70 | -0.64 |
| Madrid | General Index | 275.45 | 273.03 | +0.89 |
| Milan | MIB | 1,117.00 | 1,124.00 | -0.62 |
| Paris | CAC 40 | 1,762.22 | 1,766.52 | -0.24 |
| Stockholm | Affarsvarlden | 1,103.60 | 1,103.90 | -0.03 |
| Vienna | Stock Index | 525.34 | 526.24 | -0.17 |
| Zurich | SBS | 631.70 | 634.20 | -0.39 |

*Sources: Reuters, AFP* International Herald Tribune

# U.K. Treasury, Soviets Plan Staff Exchanges

*Reuters*

LONDON — Britain's Chancellor of the Exchequer, Norman Lamont, and senior Soviet officials agreed in principle to initiate a staff exchange between their ministries responsible for the economy and finance, a Treasury spokesman said on Monday.

The planned exchange was one outcome of a four-day visit to the Soviet Union by Mr. Lamont and senior Treasury officials, which aimed at identifying ways the Group of Seven major industrial nations could help the Soviets move to a market economy.

Mr. Lamont this week will draft a letter to other G-7 finance ministers recommending possible follow-up measures.

The G-7, at a summit meeting in London last month, offered the Soviet Union "special associate" membership in the International Monetary Fund and the World Bank as part of a broader move to give Moscow access to Western economic expertise.

President Mikhail Gorbachev of the Soviet Union shortly afterward applied for full membership in both institutions. This would allow the Soviet Union to apply for IMF or World Bank credits.

Mr. Lamont discussed technical assistance with his Soviet hosts, who included Mr. Gorbachev and the Soviet economy and forecasting minister, Vladimir Shcherbakov.

Mr. Lamont was in Moscow at the same time as a team of top IMF officials.

# *PolyGram Buys Into Webber Firm*

*Reuters*

LONDON — The Dutch-controlled record company PolyGram NV has bought a 30 percent stake in Really Useful Holdings, the entertainment firm founded by Andrew Lloyd Webber, composer of such stage hits as "Phantom of the Opera" and "Aspects of Love."

The deal, worth up to £93 million ($157 million), includes an option for PolyGram to take a majority shareholding in Really Useful in 2003, the record company said on Monday.

PolyGram said it had invested £68 million with a further £10 million payable in 1994 and possible deferred, performance-related payments of up to £15 million.

The contract of Mr. Webber, the composer, has been extended by 10 years until 2003 and has been widened to cover his work as theatrical producer and in film and television.

In 1987, Prince Edward, Queen Elizabeth's youngest son, joined Really Useful as a production assistant after dropping out of the Royal Marines.

PolyGram, which is 80 percent owned by Philips Electronics NV of the Netherlands, was floated in December 1989 on the Amsterdam and New York stock exchanges. It operates from London.

PolyGram's president and chief executive officer, Alain Levy, said extending Mr. Webber's contract had been a major factor in PolyGram's decision to invest in Really Useful Holdings.

Really Useful, which Mr. Webber took back into private ownership last year, owns the copyrights to Webber stage hits such as "Starlight Express" and "Phantom of the Opera."

As part of the deal, PolyGram will have worldwide rights to exploit the company's recordings, music publishing and certain other products, subject to existing licenses.

# German Insurer Issues Shares at 1,600 DM

*Reuters*

DÜSSELDORF — Bearer shares in Germany's second largest life insurance group, Aachener & Münchener Lebensversicherung, are being issued at 1,600 Deutsche marks ($918.50) each, lead manager Dresdner Bank announced on Monday.

AML expects to pay an unchanged dividend of 10 DM in 1991, its chief executive, Wilko Börner, said.

"We assume the 1991 dividend will be unchanged at 20 percent," or 10 DM per share, Mr. Börner said. "We are confident that in the future we will also be able to serve our shareholders as well as we have done in the past."

He expected net profit to rise to 24 million DM, of which half would be paid out and half would be added to reserves.

A total of 300,000 AML bearer shares are being issued to raise a total of 480 million DM. They will be listed in Düsseldorf, Berlin and Frankfurt and officially traded from Aug. 19, Dresdner Bank said.

The issue price of AML shares is moderate in view of its dynamic growth, the bank said in an investment research report on the issue.

But some industry analysts have said the issue price could prove aggressive due to cyclical factors affecting the German insurance market.

AML is owned by the German financial-services group Aachener & Münchener Beteiligungs AG, which is selling off a 25 percent stake in it to finance European expansion plans.

# *Soviets to Cut Taxes on Oil To Bolster Energy Output*

*Reuters*

MOSCOW — The Soviet government on Monday announced measures to reverse a decline in oil and natural gas production that has hit vital hard currency export earnings.

The measures, discussed at a cabinet meeting last month, included a cut in oil export taxes to 3 percent from 40 percent, financial support and new pricing mechanisms.

Soviet oil output, the world's highest, has fallen steadily in recent years due to deteriorating infrastructure, backward technology, poor management and lack of production incentives.

The new measures, published by the official Tass news agency, included an increase in wholesale prices for oil delivered to refineries.

Extra revenue from this will go into a special oil and gas industry stabilization fund to support production capacity.

The fund will also draw resources from the introduction of negotiated market-linked prices on 10 percent of oil and gas production.

A total of 2.6 million tons of oil output can be exported at negotiated prices for hard currency this year if deliveries to refineries are at least 456 million tons, with 70 percent of the revenue going into the stabilization fund.

For 1992, the government said it would work out new state-controlled prices for oil and gas.

# Martens Says Only Decrees Could Curb Belgian Debt

*The Associated Press*

BRUSSELS — Prime Minister Wilfried Martens said he wants the next government to rule by decree on budgetary issues to ease Belgium's staggering public debt burden, which he called "a tragedy for the nation."

In Monday's edition of the daily De Standaard, Mr. Martens said a decade of tight budgetary controls and austerity measures had failed to curb the overall public debt problem and added it was "desirable that the next government have special powers" to reduce it.

The center-left coalition last week agreed to 82.5 billion Belgian francs ($2.27 billion) in additional savings to keep the 1992 budget deficit at the 1991 level of 405 billion francs.

"I am happy with the current budgetary standard, but it is insufficient for the future," Mr. Martens said.

Even though financial analysts said the austerity measures would keep the debt problem from getting worse, the debt that was accumulated during the free-spending 1970s and early 1980s continues to haunt Mr. Martens.

"The debt burden is a tragedy for the nation," he said.

Total debt has reached almost 7 trillion francs, or 130 percent of gross national product, unequaled anywhere in Europe.

"It keeps me awake at night," Mr. Martens said.

Despite the debt problem, Belgium has a good economic record, and is in the top half of performers among the 12 European Community nations.

"We score very well compared to others where we are talking inflation, balance of payments, even employment," Mr. Martens said.

But Belgium is paying about 680 billion francs in interest on its debt this year.

"We have already made enormous savings and still we are stuck with this public debt," Mr. Martens said. He said it affected current management since the government could not invest in new projects because it has to pay off old debt.

Financial analysts estimate that, failing renewed action, overall debt could well reach 10 trillion francs by the turn of the century, representing a debt load of one million francs for every Belgian.

To avoid this, Mr. Martens wants drastic action taken, sidestepping the slow parliamentary procedures through the use of special powers.

# COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

## Britain

**Barclays**

| 1st Half | 1991 | 1990 |
|---|---|---|
| Pretax Net | 378.00 | 402.00 |
| Per Share | 0.138 | 0.234 |

**Midland Bank**

| 1st Half | 1991 | 1990 |
|---|---|---|
| Profit | (c)71.00 | 36.00 |
| Per Share | — | 0.013 |

c: loss.

## Germany

**Deutsche Bank**

| 1st Half | 1991 | 1990 |
|---|---|---|
| Oper Net | 3,160. | 2,560. |

**Schering**

| 1st Half | 1991 | 1990 |
|---|---|---|
| Revenue | 3,310. | 3,220. |
| Profit | 184.00 | 182.00 |

## Netherlands

**Akzo**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 4,310. | 4,220. |
| Profit | 190.50 | 265.70 |
| Per Share | 4.29 | 4.83 |

**DSM**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 2,490. | 2,520. |
| Profit | 156.00 | 245.00 |
| Per Share | 4.40 | 7.80 |
| 1st Half | 1991 | 1990 |
| Revenue | 5,060. | 5,400. |
| Profit | 304.00 | 487.00 |
| Per Share | 9.50 | 13.90 |

## Norway

**Statoil**

| 1st Half | 1991 | 1990 |
|---|---|---|
| Profit | 2,400. | 1,700. |

## United States

**CIGNA**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 4,250. | 4,810. |
| Net Inc. | 170.00 | 158.00 |
| Per Share | 2.38 | 2.05 |
| 1st Half | 1991 | 1990 |
| Revenue | 9,460. | 9,700. |
| Net Inc. | 218.00 | 200.00 |
| Per Share | 3.05 | 2.58 |

**Entergy**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 961.40 | 939.30 |
| Net Inc. | 81.90 | 107.40 |
| Per Share | 0.45 | 0.55 |
| 1st Half | 1991 | 1990 |
| Revenue | 1,870. | 1,830. |
| Net Inc. | 167.40 | 198.00 |
| Per Share | 0.91 | 0.98 |

**Halliburton**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 1,790. | 1,670. |
| Net Inc. | 53.00 | 47.70 |
| Per Share | 0.30 | 0.44 |
| 1st Half | 1991 | 1990 |
| Revenue | 3,520. | 3,280. |
| Net Inc. | 99.70 | 83.20 |
| Per Share | 0.56 | 0.78 |

**Houston Industries**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 1,860. | 1,870. |
| Net Inc. | 67.40 | 77.50 |
| Per Share | 0.49 | 0.61 |
| 1st Half | 1991 | 1990 |
| Revenue | 1,980. | 1,890. |
| Net Inc. | 139.30 | 48.70 |
| Per Share | 1.10 | 0.54 |

**Lincoln National**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Revenue | 2,250. | 2,370. |
| Net Inc. | 78.40 | 68.10 |
| Per Share | 1.75 | 1.54 |
| 1st Half | 1991 | 1990 |
| Revenue | 4,540. | 3,790. |
| Net Inc. | 172.80 | 94.50 |
| Per Share | 3.65 | 2.28 |

**Transamerica**

| 2nd Quar. | 1991 | 1990 |
|---|---|---|
| Net Inc. | 55.80 | 84.50 |
| Per Share | 0.49 | 1.38 |
| 1st Half | 1991 | 1990 |
| Net Inc. | 113.70 | 154.80 |
| Per Share | 1.40 | 1.94 |

*1990 quarter and six months nets include gains of 7 cents per share and 14 cents per share respectively.*

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# On the Mississippi, an Eye to Moscow

By Michael Abramowitz
*Washington Post Service*

ST. LOUIS — It's a long way to Moscow from the floor of the St. Louis Merchants Exchange, but traders here are paying close attention to Soviet agricultural reform and the shifting prospects for American credits to the Kremlin to finance grain purchases.

"The Soviets are the wild card," said Robert J. Soderstrom, an independent broker here. "They can make or break our industry."

Mr. Soderstrom makes his living in an arcane, yet vital, part of the U.S. agricultural system. It is one that is inextricably linked to the volume of U.S. grain exports, specifically exports to the Soviet Union.

Brokers gather here daily to buy and sell space on the more than 10,000 covered barges that haul soybeans, corn and other grains from elevators along the Mississippi River to the Gulf of Mexico.

The market can be volatile, with prices rising in reaction to news about icy river conditions or low water, which can tighten up the supply of barges in a hurry, or falling because of adverse political developments in Lithuania that cast doubt on the success of Soviet reform efforts.

Although it lacks the controlled pandemonium of the Chicago commodity pits — or the gritty feel of the Minneapolis cash-grain market — the Merchants Exchange offers a window on the status of the giant U.S. grain exporting machine along the Mississippi and related waterways like the Missouri, Ohio and Illinois rivers.

Once a thriving market for all agricultural products, the exchange has shrunk with the consolidation of the grain industry in general; big grain merchants like Continental Grain Co. or Cargill Inc. have set up their own barge lines and moved to limit the amount of space they purchase from independent barge operators. When the grain shippers do hire barges, they often skirt the Merchants Exchange and contract for them privately.

Still, because this is the only place to buy and sell barge space on the open market, the exchange plays a pivotal role in helping grain companies determine the going rate for all-important barge space.

Freight space trades as a cash commodity here, just like wheat or soybeans. Brokers quote prices in terms of a percentage of so-called "tariff," a benchmark price for carrying grain from a certain point on the Mississippi to the Gulf of Mexico.

> **'It's tough when the export markets are so bad, because we're a microcosm of the export market.'**
>
> **Morris L. Larson, executive vice president of the exchange**

The benchmark rate to haul grain from St. Louis to the gulf is $3.99 per ton, so when grain shippers bid 150 percent of tariff, they are offering to pay roughly $6.00 per ton, or about $9,000 for a typical 1,500-ton barge.

On one day the exchange's morning call session, which lasts 45 minutes, attracted fewer than a dozen brokers shouting out offers.

Activity was buzzing around barges needed to ship grain in October. With freight prices low, grain-company representatives appeared interested in locking in barge space for the anticipated upsurge in business that accompanies the fall harvest.

Stephen T. Sheridan, 38, the top trader for Peavey Barge Lines, accepted a bid from Continental Grain Co., even though the price Continental was willing to pay — 157.5 percent of tariff — was about as low as the market had gone in recent months.

"I think the price will drop even further," Mr. Sheridan said.

His pessimism is widely shared in the industry, where barge rates have fallen to near-record lows as a result of excess barge capacity and poor Soviet demand for U.S. grain.

Because other export markets are relatively stable, the margin between profit and loss in the barge industry revolves to a great degree around how much grain the Soviets are willing to buy, according to industry officials.

With the Soviet economy in a shambles, grain purchases are down, and so is the amount of grain moving through the gulf.

The Department of Agriculture has projected that agricultural exports in general will drop 8 percent in 1991, from $40.1 billion to $37 billion. Much of the drop will result from falling exports of corn, the livestock- and poultry-fattening grain most heavily favored by the Soviets.

"It is just tough to be upbeat when the market is so bad," said Morris L. Larson, executive vice president of the exchange. "It's tough when the export markets are so bad, because we're a microcosm of the export market."

In theory, freight prices could rise if the Bush administration extends additional agricultural credits to the Soviet Union this year. The United States has already given the Soviets $1 billion in loan guarantees in 1991, and President Mikhail S. Gorbachev has asked for a further $1.5 billion in credits.

# GATT: *EC Farm Subsidies Likely to Delay Trade Pact Until Next Year*

(Continued from first finance page)

been whether Germany is willing to put pressure on France to change its opposition to dropping the subsidies. Herman Otto Solms, the leader of the Free Democratic Party's deputies in the German Parliament, said on a visit to Washington last month that the German government was moving in this direction.

But the Free Democratic Party is the minority partner in Germany's ruling coalition, and has a history of advocating free trade. Mr. Solms acknowledged that German influence in the Community and in Paris might now be muted. "It is a very difficult situation because France is not very fond of the German unification process," he said.

EC leaders are due to meet next month to review a plan to cut substantially the fixed prices offered to farmers and to encourage their early retirement. But some of the same leaders have been slow to act on less ambitious plans in recent years, so no immediate change in policy is expected.

Mrs. Hills said in a recent interview that she understood the Community's political problems in dealing with the opposition to trade liberalization. But the evolution of Western European economies and the soaring cost of agricultural subsidies — budgeted by the Community at 537 billion this year — means that such support for farmers has "served its day," she added. "It's obsolete; it's wrong now."

Delays by the European leaders are creating a potential political problem for the administration. Before a final agreement can be submitted to Congress, accompanying legislation must be drafted to amend United States laws and government programs that do not comply. Drafting this legislation is likely to take at least three months, congressional experts estimate.

The "fast track" procedures for the consideration of such trade pacts then call for Congress to vote on the agreement within about four months. So even if an agreement were finished at the end of this year, a final vote would be unlikely until late next summer. Each month of delay in international negotiations pushes the vote another month closer to next year's elections.

# GEMS: *Antwerp Diamond Industry Goes in Search of Apprentice Cutters*

(Continued from first finance page)

electronics firms and a couple of big General Motors plants.

"Diamonds are a very skilled kind of work, and sitting for hours at a polishing wheel is not everybody's idea of a pleasant way to spend one's day," he said.

The polishing wheels can be seen through windows in the diamond district adjacent to Antwerp's onion-domed train station and its Jewish quarter. The area is in many ways a self-contained village: About 2,000 gem-related offices are crammed into a one-square-mile area, with a diamond-tools shop sitting side-by-side with a diamond shipping business and a Brink's office specializing in security for the precious stones.

Diamond merchants from Vienna and other cities relocated to Antwerp and Amsterdam after the Spanish Inquisition began in the 15th century.

Amsterdam overtook Antwerp as a diamond capital in the 19th century, but many people who fled from Amsterdam to Britain to avoid the Holocaust resettled in Antwerp after World War II, so the diamond-cutting business is now far larger in Antwerp.

"My parents were deported to Auschwitz in 1942, and the Nazis also got my seven brothers and sisters," said Mr. Fischler, who learned the diamond trade in Cuba before returning to Antwerp in 1948.

Although his five children went into the trade, Mr. Fischler knows he faces a tough battle in convincing today's youngsters to begin the necessary six years of rigorous vocational education at the age of 12 or 13.

"People lost confidence because they saw competition from India, Korea and other places with cheap labor," Mr. Fischler said. "So the Diamond High Council started a fund that the students get six months after joining the business at age 18."

He declined to specify how much money is involved, but said it is "enough to buy their tools and polishing wheels so they can get started."

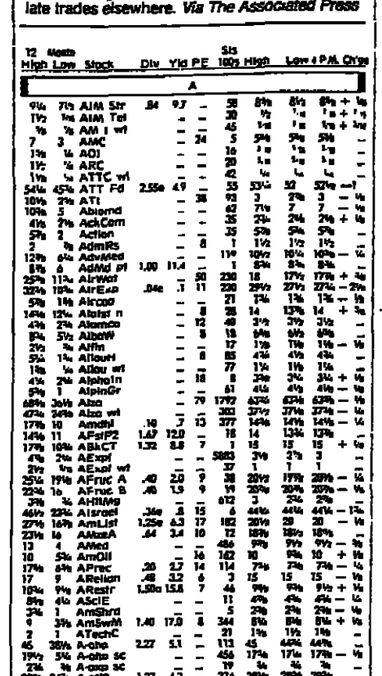
The vocational-school teachers are employed by the Belgian government. The diamond trade group cannot pay them directly to learn new technologies, "so we pay for them to travel around, with their families, to see how diamonds are cut and polished in other places in the world," Mr. Fischler said.

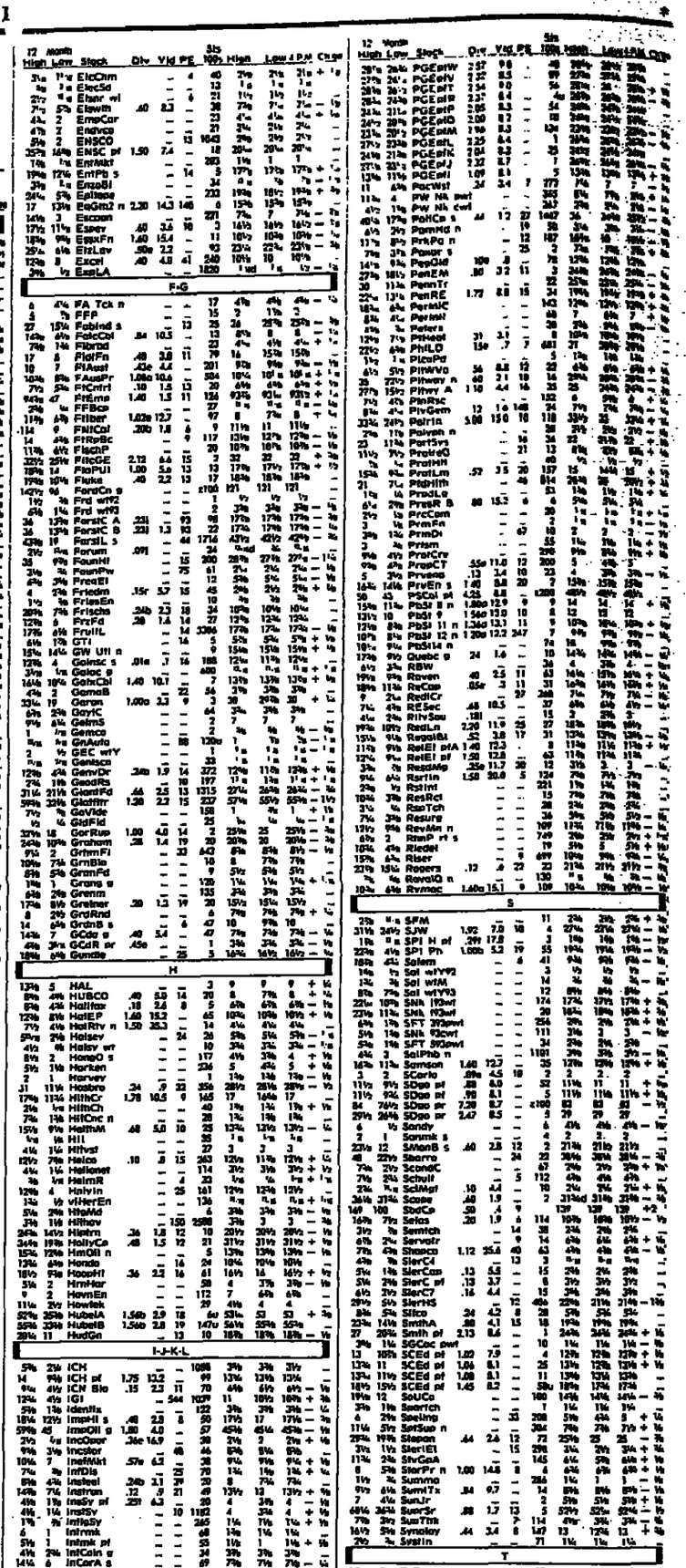
A $275,000 pilot project in automatic polishing techniques was also recently established at a diamond-research center in the nearby town of Lier.

# AMEX

**Monday's Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



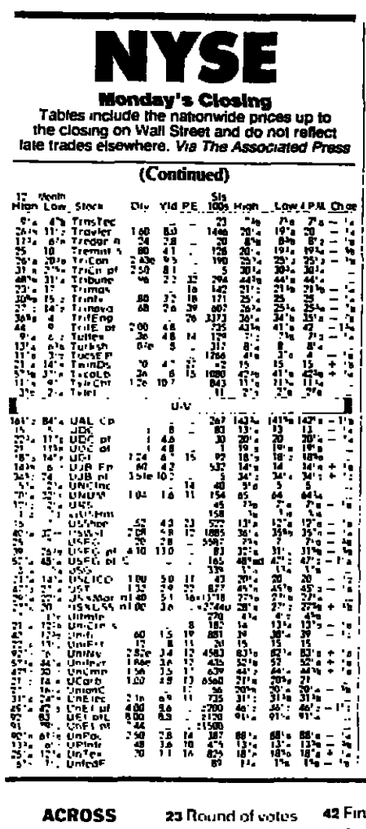


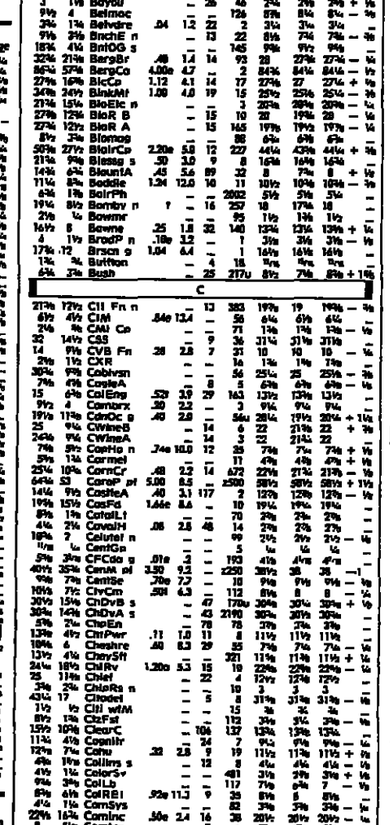
# NYSE

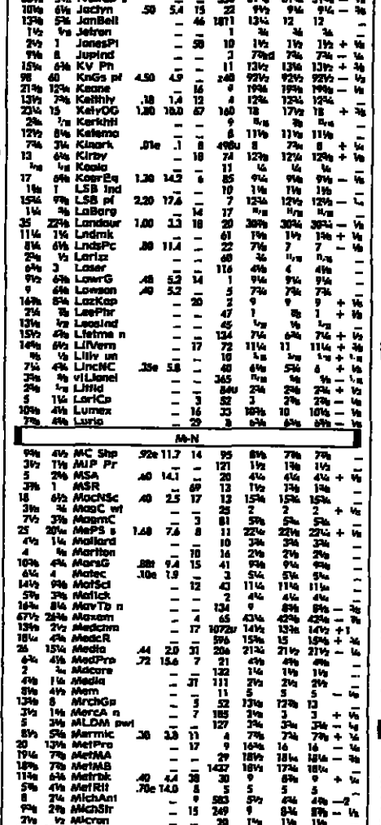
**Monday's Closing**

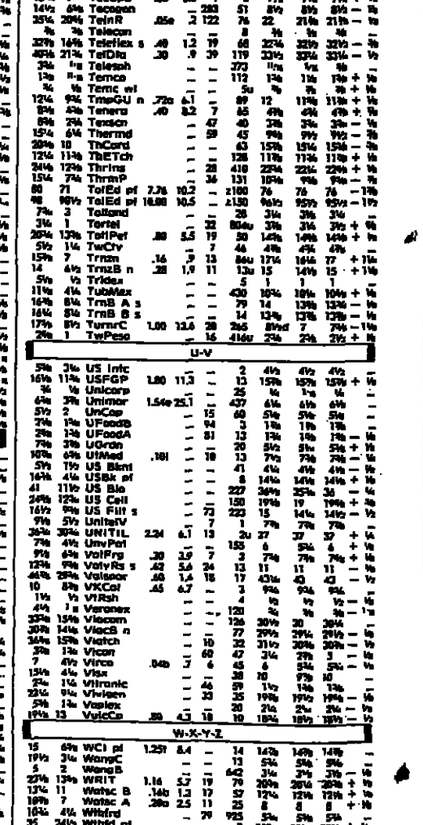
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)







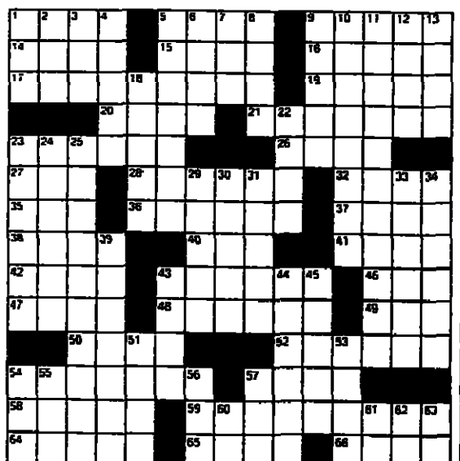


## ACROSS

1 Office need
5 Perfumes
9 Ledge
14 Soon
15 Brainstorm
16 Conger catcher
17 Placed properly
19 U. of Maine town
20 Cut of meat
21 Some graduates of 19 Across
23 Round of votes
26 Actor Vidov
27 First of a Latin trio
28 Most secure
32 Pack in
35 Tiki
36 Kite
37 Ultimatum words
38 Work units
40 Bite
41 Allude to
42 Finn's transport
43 Astrological chart
46 Alley of comics
47 Loom reed
48 Mad
49 Gun lobby Abbr
50 Writer Hubbard
52 Smooth
54 "Golden" quality
57 Tulip's origin
58 Make right
59 Drew out
64 More recent
65 Suffix for Victor or Boswell
66 Facile
67 Pert
68 Sonny's ex-mate
69 Type of learning

## DOWN

1 Stroke lightly
2 Compass dir
3 Roman sun god
4 Hillock
5 Fingerlike
6 Norse god
7 Poetic twilight
8 "Volsunga
9 Capital of South Korea
10 Airtight
11 Extensions
12 Singer Horne
13 Cleaving tool
18 Rope loop
22 Ronnie of N F L fame
23 Carroll and Joe Don
24 Ethically neutral
25 "Evangeline" author's family
29 Manipie
30 Bagnold and Haupt
31 Brownish color
33 Tours
34 Remit beforehand
39 Synthetic rubber bases
43 Metallic element
44 Lean
45 Yoyo Ma's instrument
51 Cantankerous Var
53 Baseball's Doubleday
54 Sauce (carefree)
55 Virginia willow
56 "Beowulf," for one
57 Tibia or femur
60 Cheer
61 Gov. watchdog agency
62 East Fr
63 Color



*© New York Times, edited by Eugene Maleska.*

### Solution to Previous Puzzle

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S | W | A | B | | | R | A | S | S | E | | F | B | I |
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| T | E | N | D | E | R | L | Y | | | R | A | N | G | Y |
| | | I | S | S | Y | | S | O | N | I | C | | | |
| E | F | F | E | T | E | | R | E | M | E | D | I | A | L |
| P | E | R | D | U | | W | I | R | E | | A | S | T | A |
| O | D | A | | S | H | A | V | I | N | G | | C | O | B |
| D | O | N | E | | O | X | E | N | | A | D | A | N | O |
| E | N | C | U | M | B | E | R | | W | I | E | N | E | R |
| | | O | R | I | O | N | | M | O | N | T | | | |
| L | I | N | E | N | | | V | A | L | E | R | I | E | S |
| A | L | I | | C | E | S | A | R | F | R | A | N | C | K |
| O | K | A | | E | G | E | S | T | S | | C | O | R | A |
| S | A | N | | D | O | T | T | Y | | | T | N | U | T |

# Kaifu Says New Laws Can Stop Scandals

*Compiled by Our Staff From Dispatches*

TOKYO — Prime Minister Toshiki Kaifu vowed in a policy address Monday that his government would make an all-out effort to prevent future financial scandals in Japan.

He opened a special parliamentary session by promising to submit legislation to prevent a repeat of the brokerage scandal that has put his finance minister on the defensive and clouded Mr. Kaifu's own future.

Already 17 securities houses have admitted improperly compensating elite clients for investment losses worth more than 172 billion yen ($1.25 billion).

Executives at two top brokerages, Nomura Securities Co. and Nikko Securities Co., have resigned following admissions that affiliate firms lent money to gangsters.

Mr. Kaifu said the planned revision of the Securities and Exchange Law, to go before the current session of parliament, would ban covering investment losses and discretionary accounts in which clients entrust brokers with investment decisions.

The brokerage scandal is one of many tales of financial excesses to come to light in recent months. Others include charges of share price manipulation and extortion against a high-flying speculator now on trial and alleged illegal deals by former officials of a trading house.

Most recently, employees of three top banks arranged loans for clients based on fake deposit certificates, thus allowing them to borrow funds without real collateral.

Finance Minister Ryutaro Hashimoto, already under fire for his ministry's lax supervision of the scandal-embroiled brokerages, told a news conference Saturday that an aide had introduced clients to a Fuji Bank Ltd. employee involved in some of the fraudulent loans.

Mr. Hashimoto, seen just a few months ago as a possible successor to Mr. Kaifu when his term ends in late October, has vowed not to resign over the scandals.

Mr. Kaifu, known as the "Mr. Clean" of Japanese politics, was selected as a stop-gap prime minister in 1989 after his two predecessors resigned amid financial and sex scandals.

Mr. Kaifu called the extra session of parliament mainly to debate election changes designed to root out the money-driven politics that bred the Recruit scandal, in which an information conglomerate traded company shares to government officials for favors.

But the financial scandals have dimmed the prospects of passing a trio of political packages in the current session.

Opposition parties are firmly against the bills, which they say would benefit only the ruling Liberal Democratic Party, and many Liberal Democrat politicians themselves fear the changes — such as single-seat voting and proportional representation — would deprive them of their constituencies.

*(Reuters, AFP)*

# Fixed Broker Fees Under Fire in Tokyo

*Reuters*

TOKYO — Japan's fixed brokerage commissions are coming under fire from critics who charge they were one cause of scandals now rocking the nation's securities industry.

While the scandal fallout could speed moves to lower commissions, it is unlikely to lead to complete deregulation, industry officials and analysts said.

"I don't think this will mean fully negotiated commissions in the next three or four years, but possibly there will be another round of reductions," said Linda Daquil, a financial analyst at UBS/Phillips & Drew International Ltd.

So far 17 brokerages have admitted compensating favored clients for more than 172 billion yen ($1.25 billion) in investment losses.

Critics say that fixed commissions on stock trades, whose rates are set by the Tokyo Stock Exchange, worked in two ways to create an environment in which loss compensation ran rampant. In New York and London, brokerage commissions are set through negotiations between the brokerage and the investor.

First, the critics charge, fixed commissions artificially limit competition and so provide an incentive for brokerages to compete in other ways, including by covering losses.

"The rationale is that if you can't compete with discounts on commissions," a foreign analyst said, "you have to compete for customers by doing other things.

"Compensating losses or guaranteeing returns on investment is one type of service," he said.

Promising returns or pledging to cover losses, however, is illegal. Compensating clients for losses, while not illegal, is a violation of a 1989 Finance Ministry directive.

Critics also charge that fixed commissions provided brokerages with huge profits, enabling them to compensate favored clients' losses when they occurred.

**It's unclear who would benefit if Japan were to deregulate brokerage commissions.**

"Fixed commission fees effectively guaranteed income for the brokerages," wrote Naoki Tanaka, a Japanese commentator, in a recent article.

Responding to criticism, Finance Ministry officials have said the Tokyo Stock Exchange should lower commissions to an "appropriate level."

The exchange has begun to consider possible cuts, but an exchange spokesman said it was by no means certain that commissions would be cut soon.

"The improper compensation took place some time ago, when brokerages had large income," the spokesman said. "But now turnover is thin and brokerage income is less, so it is questionable whether cuts are needed now."

The Finance Ministry is unlikely to want to lower commission rates at a time when brokerages, small and medium-sized ones in particular, are seeing profits dwindle due to slumping share prices and turnover, analysts said.

Commissions might be trimmed, but prospects for full-scale deregulation appear dim. A senior Finance Ministry official told an upper house committee on Friday the effects of deregulating brokerage commissions should be considered carefully, since deregulation usually leads to higher retail commissions.

It is unclear precisely who would benefit from deregulation, industry officials and analysts said.

Large institutional investors are already paying rates in line with those in New York and London, since commission rates are lowest for the largest orders.

"They've been chopping away quite hard at large commission rates while leaving retail rates high," one foreign broker said.

Small investors might actually have to pay higher fees if rates were negotiated, since brokerages tend to shift the costs of lower commissions from big clients to smaller ones.

# Taipei Plans to Expand Market for Its Bonds

*Reuters*

TAIPEI — Taiwan plans to rapidly expand its sluggish government bond market, including reforming the issuing system, in order to raise billions of dollars needed for public works projects, a senior central bank official said Monday.

The government will begin by auctioning bonds instead of allocating them at fixed prices to institutions. Foreigners will be encouraged to invest, the official said.

The central government will issue about 40 billion Taiwan dollars ($1.5 billion) of bonds every month after November, said John Shueh, general manager in the central bank's treasury department.

The issues will total at least 300 billion Taiwan dollars in the financial year to next June, far exceeding issues of 105 billion dollars last fiscal year, he said.

"We will need to issue a huge amount of government bonds to finance our infrastructure projects in the next several years," Mr. Shueh said.

Under an economic development plan starting this year, Taiwan envisages spending about $300 billion on transport, communications, pollution control, housing and other public works projects during the next six years.

But officials and economists say the island's bond market, which is small and inactive compared with foreign markets, may be unable to provide enough financing for the development plan without major changes.

Currently 21 banks and financial institutions buy bonds from the government. They tend to hold the bonds to satisfy reserve requirements and provide collateral for loans, so the bonds are rarely traded with other investors in the secondary market.

Bond trading totaled about 1.6 trillion dollars in the first six months of this year, compared with a total stock market turnover of 6.9 trillion dollars, the Securities and Exchange Commission said.

Nearly all the trading was in government bonds.

Starting in September, the government will auction the bonds instead of allocating them, Mr. Shueh said.

Finance firms and big brokerage houses with paid-in capital of at least one billion Taiwan dollars will be allowed to participate in the auctions, bringing the total number of participants to about 35, he said.

Initially, foreign institutions will not be allowed to participate directly in the auctions, but they will be permitted to do so through local banks, he added.

Foreign banks in Taiwan have been allowed to buy bonds in the secondary market for years, but their purchases have been small.

# China to Issue H.K. Notes

*Agence France-Presse*

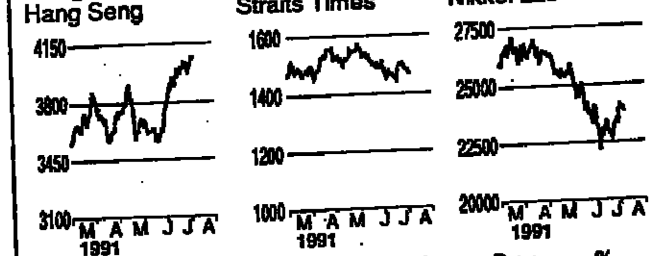
HONG KONG — The Bank of China is likely to issue currency in Hong Kong before 1997 when the British colony reverts to Chinese rule, it was reported Monday.

Joseph Yam, director of the Office of the Exchange Fund, was quoted by the semi-official Hong Kong China News Service as saying it was feasible for the Bank of China to join in issuing banknotes and, if necessary, regulations would be amended for such a move.

Hong Kong's currency is currently issued by two local banks: Hongkong & Shanghai Bank and Standard Chartered Bank.

Mr. Yam said having a third bank issuing currency would not be a problem. Mr. Yam stressed that allowing the Bank of China to issue banknotes was not a political matter.

## Investor's Asia




| Exchange | Index | Monday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Hong Kong | Hang Seng | 4,063.01 | 4,059.40 | +0.09 |
| Singapore | Straits Times | 1,465.04 | 1,477.62 | -0.85 |
| Sydney | All Ordinaries | 1,574.90 | 1,582.90 | -0.51 |
| Tokyo | Nikkei 225 | 23,833.25 | 24,027.97 | -0.81 |
| Kuala Lumpur | Composite | 593.16 | 599.41 | -1.04 |
| Bangkok | SET | 709.35 | 721.85 | -1.73 |
| Seoul | Composite Stock | 758.18 | 748.15 | +1.34 |
| Taipei | Weighted Price | 4,881.65 | 5,060.68 | -3.54 |
| Manila | Composite | 1,017.87 | 1,011.66 | +0.61 |
| Jakarta | Stock Index | 334.01 | 336.05 | -0.61 |
| New Zealand | NZSE-40 | 1,451.00 | 1,455.15 | -0.29 |
| Bombay | National Index | 807.55 | 810.85 | -0.41 |

Sources: Reuters, AFP

International Herald Tribune

# Air India Net Jumped To Record in 1990-91

By Sanjoy Hazarika

*New York Times Service*

NEW DELHI — Air India, the state-owned international carrier, said Monday that it made a net profit of the equivalent of $42.7 million, the highest in the airline's history, in fiscal 1991.

The company's acting chairman, Subhash Gupte, said the profit represented an increase of 14.6 percent over the previous year's figures and that the margin would have been higher had the airline included profits from the sale of a damaged aircraft.

Mr. Gupte also said that he is urging the Indian government to allow his company to sell its five wholly owned airport hotels in India, which are making losses. "They are sitting on prime property," he said and the sale of the land and buildings would raise large funds for Air India. Mr. Gupte said that Indians living abroad as well as international hotel chains, which he did not name, had expressed an interest in the outright purchase of the hotels.

Air India works closely with the government to promote tourism in the country, and airline officials said that bursts of violence in different parts of the country, including the assassination of Prime Minister Rajiv Gandhi had led to the cancellation of many visits.

"But we are trying to encourage tour operators and individual tourists to come to India because many areas of it are still safe. After all, if there is trouble in Yugoslavia, that doesn't mean that tourists should cancel visits to Britain. India is that large a country," he added.

Air India controls about 28 percent of passenger air traffic.

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# SPORTS

## Capriati Eases Seles Out of First

*The Associated Press*

CARLSBAD, California — After putting to rest rumors about why she skipped Wimbledon, Monica Seles has something new to worry about: Jennifer Capriati.

The 15-year-old Capriati defeated Seles by 4-6, 6-1, 7-6 (7-2) on Sunday to win the $225,000 Mazda Classic and knock the Yugoslav from the No. 1 ranking in women's tennis. It was Capriati's second defeat of Seles in two weeks and first ever in a sanctioned tournament.

"I think I'm definitely a little closer," Capriati said of the top spot in the rankings. "This give me confidence. Maybe I'll come even closer in a couple of years."

Seles and Capriati had met two weeks earlier in an exhibition that Capriati won. Seles took both of their previous tour matches.

Capriati only has a learner's permit to drive, but she had no trouble road-testing her prize, a special-edition car. "She was perfect," said her father, Stefano, who went along for the ride.

The keys and $45,000 were presented to Capriati after she rebuffed Seles's third-set rally and then prevailed by winning the last five points of the tiebreaker.

The match brought together the two youngest finalists in the open era of women's tennis that began in 1968. Seles, 17, and Capriati are younger than Tracy Austin and Andrea Jaeger, who met for the 1980 Florida Federal Open crown, by at least one month respectively.

Manhan Yeung/The Associated Press

Seles couldn't bear to watch as her No. 1 ranking slipped away.

Seles, making her first tour appearance since withdrawing from Wimbledon, came to the end of the No. 1 reign that she held since March 11.

Inheriting the top position will be Steffi Graf. But because she will not play this week because of a shoulder injury, Graf will yield the top spot back to Seles after a week.

● Pete Sampras won his first title on the men's tour since the U.S. Open, beating Brad Gilbert, 6-2, 6-7 (5-7), 6-3, in the Volvo Tennis tournament in Los Angeles on Sunday. The match featured big serves by both players, with Gilbert managing 10 aces to Sampras's nine.

## Big Issues in the PGA's Big Week:

### *A Year After Shoal Creek, How Many Steps Forward Has the Tour Taken?*

By Jamie Diaz
*New York Times Service*

The sociological shock surrounding last year's PGA Championship at Shoal Creek carried more force than any off-course event in golf's history, but even that hasn't shaken *the game from its inherently leisurely pace.*

While the sanctuary of privilege that all-white private clubs long enjoyed has come under more critical scrutiny than ever before, minority groups, and particularly black people, are still far outside golf's mainstream.

On the eve of this year's PGA Championship, which begins Thursday at Crooked Stick Golf Club in Carmel, Indiana, the changes made since last year's event are still in the eye of the beholder.

Those who say Shoal Creek irrevocably changed the face of the game point to the way this four major U.S. golf organizations — the U.S. Golf Association, the Professional Golfers' Association of America, the PGA Tour and the Ladies Professional Golf Association Tour — all drafted new policies requiring the private clubs that host their tournaments to move toward integrating their memberships.

"I think that on balance the golf world has surprised me with how aggressively they have gone after change since Shoal Creek," said David Fay, executive director of the USGA.

Others contend that the only changes brought on by Shoal Creek were forced by financial expediency, and that next to nothing has been done to motivate the true integration of the game at the nearly 6,000 private clubs in the United States that have no intention of holding major professional tournaments. About three quarters of these clubs have no black members.

"There has been a beginning, but I think it has all been token," said the Rev. Joseph Lowery, president of the Southern Christian Leadership Conference, which focused attention on Shoal Creek by threatening to picket last year's PGA Championship. "There was no moral impetus, no repentance of our sins."

Those sins were symbolized last July in the words of Shoal Creek's founder, Hall Thompson, when he told a Birmingham, Alabama, newspaper: "We don't discriminate in every other area except the blacks." Suddenly, what had been tacitly accepted for generations had been too bluntly stated to be ignored.

Of the 123 courses used by the three major tours in 1991, 43 had no black members before Shoal Creek (55 are either public or resort courses). Although neither the PGA Tour or the LPGA Tour would supply any information, telephone checks with the clubs showed that only about 10 now have either no minority members or refuse to comment.

But Lowery is more concerned with the integration of golf's administration and business than he is with the integration of clubs. None of the four major golf organizations has a black in a management capacity.

"They've asked the clubs to do what they themselves have not done, which is to desegregate their boards and staff," Lowery said.

But according to Tim Finchem, deputy commissioner of the PGA Tour, and Fay, integration in golf is difficult to achieve on both a participant and a business level.

"That's what we are trying to get a handle on for the next four or five years," Finchem said.

They agree that promoting golf participation among young members of minority groups is difficult because access to courses is often a problem, as is the lack of role models in the game.

Jim Thorpe and Calvin Peete are the only blacks who regularly play on the PGA Tour, and National Golf Foundation statistics indicate that blacks make up only 3 percent of the nation's golfers.

There is one example of promise in this regard: On July 28, 15-year-old Eldrick Woods, who is black, became the youngest winner ever of the U.S. Junior Amateur.

## *In Grading Ryder Cup Class, Nicklaus Gets an 'A' and an Excused Absence*

By Tom Callahan
*Washington Post Service*

WASHINGTON — Jack Nicklaus does not belong on the U.S. Ryder Cup team. Payne Stewart is right about that. He is wrong about the reason.

"No, I wouldn't pick Jack Nicklaus," said Stewart, trying on the shoes of nonplaying captain Dave Stockton, who has two at-large openings for the September renewal against Europe. "Intimidation is the major reason why you'd pick Jack Nicklaus. But he'd only be good for one match a day. What if they needed him to play 36 holes? The man is 51 years old. I don't know if he's capable of playing 36 holes."

**Vantage Point**

Stewart has a penchant for saying silly things, but this is beyond *ridiculous. Nicklaus is more than fit for the work. As usual in golf, the* truth of the matter is not being said.

The truth is, 34-year-old Stewart and a number of his contemporaries have great regard but little affection for Nicklaus, whose nickname on tour is "Karnak." The younger players giggle that like the turbaned swami of "The Tonight Show," Jack knows everything.

According to Stockton, one 31-year-old Ryder Cupper has passed the word that he would not care to be paired with Nicklaus.

MUCH OF THIS is jealousy, of course. Considering his accomplishments, Nicklaus has avoided arrogance as well as any ultimate athlete in any sport. But he has not avoided it completely.

Golf's bitter underside is much underrated (see Ben Hogan), but Nicklaus has avoided that. He long ago forgave the press and public that, in a testimonial to amnesia, has totally forgotten disliking him.

*In his "Fat Jack" period of the early '60s, Nicklaus had the bad* form to beat Arnold Palmer against everyone's wishes. With a nervous hitch and a natural grace, Palmer had taken the country club game to the people and made it a sport. Palmer looked like an athlete: a middleweight. Nicklaus looked like a golfer: an unmade bed.

At 19 and 20, Nicklaus was likely already the best player in the world. At 30, he was the best player the world had ever seen. At 40, he added another U.S. Open and PGA. At 46, he won his sixth and most sentimental Masters. At 50, he exposed the senior tour.

His playoff 65 to beat Chi Chi Rodriguez in the U.S. Senior Open a week ago got too much attention. Jack was on his stick that day. More impressive was his 71 the day before when his game was in a shambles.

Nicklaus was flame-tested three times down the stretch. At 15, 16 and 17, he came to the approximate 5-footer of all his past triumphs and recent nightmares.

At 15, he had, well, that putt Greg Norman can't make. Nicklaus made it. At 16, he had the one that, you know, has kept Tom Kite from being a major champion. Jack holed it too. At 17, he seemed to grind the ball into the cup, like a putter blade into Lee Trevino's heart. At 18, Nicklaus left a *longer putt woefully short, slept on that one and* woke up in the middle of the 1970s.

TOM WATSON, in the midst of a renaissance at 41, deserves to be Stockton's first wild card. But the second slot should go to Chip Beck, Davis Love, Billy Andrade, somebody of that ilk. Maybe even Curtis Strange, or Kite.

It's their pride that is at stake, not Nicklaus's. Stewart is the only American ranked in the top six golfers in the world now, and he's merely *fifth. In the odd years since 1985, America has failed to win* three Cups in a row.

The U.S. golfer has to prove his place in the world. Nicklaus has nothing to prove. For that reason, Raymond Floyd should not be drafted, although he is playing splendidly. Floyd's class has graduated.

*If Nicklaus plays well in this week's PGA, the pressure to include* him will probably exceed Stockton's resolve to collect a force of 12 tight teammates. But it's time for Stewart's class to do something great. That's the point.

## Football's Paul Brown Dead at 82

*The Associated Press*

CINCINNATI — Paul Brown, 82, founder of the Cleveland Browns and Cincinnati Bengals, is dead.

A Bengals' spokesman said that Brown died Monday at his home here of complications from pneumonia.

"He's certainly one of the key figures in professional sports," the former Bengal quarterback, Ken Anderson, said. "Football would not be what it is without him. He was always concerned about his guys after football. Football was just a stepping-stone. He wanted you to prepare for your life's work."

Brown began his coaching career in 1930 after graduating from Miami (Ohio) University, where he was a star quarterback.

After coaching at a high school in his hometown of Massillon and at Ohio State University, Brown in 1946 formed the Cleveland Browns of the All America Conference. Cleveland won four titles before entering the National Football League in 1950. The Browns won the NFL championship that year and took two others in the decade.

The 1960s saw Brown get fired in Cleveland, win election to the Pro Football Hall of Fame and form the expansion Bengals franchise that he coached until 1975. He continued to run the team's operations as vice president and general manager, usually taking a behind-the-scenes approach.

It was as a coach that the Brown made his biggest mark on the game. He was known for his innovations — introducing now-commonplace classroom techniques, using film to grade players, calling plays from the sideline.

He ran his team with a seriousness that shaped his image.

"I was a serious-looking guy," he said. "Of course, you can't exactly do much about how you look. They formed images of me.

"Every time we'd go to New York to play the Giants — we were beating them pretty regularly — I'd get a new term. First it was 'the cold, calculating Brown.' Then I got to be 'deadly' — we were winning too much," he said, laughing. "Cold, deadly, calculating."

And a winner. Brown's record as a professional was 213-104-9.

## Team Play Doesn't Pay

*he Associated Press*

NEW YORK — Michael Jordan is the only player from a team sport whose earnings this year are estimated to be in the top 10 among professional athletes, a survey shows.

But Forbes magazine reported that Jordan, who led the Chicago Bulls to the National Basketball Association championship, makes more money from endorsements than any other athlete in the world.

In its Aug. 19 issue, the financial publication said in its annual list of the "Super 40" highest-paid athletes that Jordan will make $16 million in 1991, of which $13.2 million will come from endorsements. According to the survey, heavyweight boxing champion Evander Holyfield, will earn $60.5 million, moving from 10th position in 1990 to displace Mike Tyson as the highest-paid athlete in the world.

Basketball players occupy seven of the top 40 spots, second only to tennis players, who took nine spots. Six auto racers are among the top 40.

Baseball's biggest earner is Darryl Strawberry of the Los Angeles Dodgers, 34th on the list at $4.3 million. Also at that figure is Greg LeMond, the cyclist who makes $2.5 million away from the circuit.

### Top Paid Athletes

(According to Forbes Magazine; all figures in millions of dollars)

| Athlete, Sport | Winnings | Income | Total |
|---|---|---|---|
| E. Holyfield, Boxing | 60.0 | 0.5 | 60.5 |
| Mike Tyson, Boxing | 30.0 | 1.5 | 31.5 |
| M. Jordan, Basketball | 2.8 | 13.2 | 16.0 |
| G. Foreman, Boxing | 14.0 | 0.5 | 14.5 |
| A. Senna, Auto Racing | 12.0 | 1.0 | 13.0 |
| A. Prost, Auto Racing | 10.0 | 1.0 | 11.0 |
| Razor Ruddock, Boxing | 10.0 | 0.2 | 10.2 |
| Arnold Palmer, Golf | 0.3 | 9.0 | 9.3 |
| N. Mansell, Auto Racing | 8.0 | 1.0 | 9.0 |
| Jack Nicklaus, Golf | 0.5 | 8.0 | 8.5 |
| Larry Bird, Basketball | 7.4 | 0.5 | 7.9 |
| Monica Seles, Tennis | 1.6 | 6.0 | 7.6 |
| Joe Montana, Football | 3.5 | 4.0 | 7.5 |
| Stefan Edberg, Tennis | 1.4 | 6.0 | 7.4 |
| Greg Norman, Golf | 0.4 | 7.0 | 7.4 |
| Steffi Graf, Tennis | 1.3 | 6.0 | 7.3 |
| Andre Agassi, Tennis | 0.8 | 6.5 | 7.3 |
| Boris Becker, Tennis | 1.2 | 6.0 | 7.2 |
| Wayne Gretzky, Hockey | 3.0 | 4.0 | 7.0 |
| G. Berger,Auto Racing | 6.0 | 1.0 | 7.0 |
| J. Alesi, Auto Racing | 6.0 | 0.5 | 6.5 |
| G. Sabatini, Tennis | 1.3 | 5.0 | 6.3 |
| Magic Johnson,Basketball | 2.5 | 3.0 | 5.5 |
| D. Robinson, Basketball | 2.4 | 3.0 | 5.4 |
| Nick Faldo, Golf | 0.4 | 5.0 | 5.4 |

# CHESS

By Robert Byrne

THERE is nothing as esoteric in chess as the sacrifice of a pawn to set up a blockade of the enemy forces, a strategy first identified by Aron Nimzovich in 1912. Sooner or later it becomes evident that one player is relentlessly increasing the striking power of his pieces while the other is only marking time, no matter how busy he seems to be. In the end, the successful blockader's forces erupt in a staggering attack and that's the end of the struggle.

This subtle scenario can be seen in a game between Gary Kasparov, the world champion from the Soviet Union, and his grandmaster colleague, Boris Gelfand. But there was a divergence in the plot — Gelfand would not wait to be overwhelmed but launched a desperate attack, clearly preferring to go down with his boots on. He did. The game was played in the second round of the Ninth International Tournament in Linares, Spain.

In the Semi-Slav Defense with 4...e6, the line with 5...a6 looks toward 6 Bd3 dc 7 Be4 h5 8 Bd3 c5 with a reasonable development for Black. Kasparov avoided that with 6 h3.

The move 6...Bb4 is played to elicit 7 Bd2 before White can put his bishop on the preferable b2 square. But in this case quite soon, after 9 O-O, there was a threat to win a pawn with 10 Nd5! Nd5 11 ed Bd2 12 de!, which caused Gelfand to use a tempo for retreat with 9...Bd6.

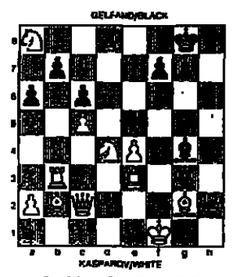
Previously, when 10 e4 de 11 be e5 was played, White would advance 12 d5, thus permitting Black to set up his own blockade on the dark squares with 12...Nc5. Kasparov's new idea was to create a blockade of the black queenside with 12 c5!? Bc7 13 Na4!? even if it cost a pawn, at least temporarily, to 13...ed.

On 14 h3, Gelfand might have sought an exchange with 14...Ne5 15 Ne5 Be5, but then Kasparov would have mobilized his kingside pawn majority for a mating attack with 16 f4. On 17 Be5!, it would have been an error to play 17...Ng5? because of 18 Ng5 hg 19 Qh5 Ne5 20 Bg5 Qd7 21 Bb3, which gives back the pawn and leaves Black badly tied up.

After 19 Be1, Gelfand might have tried 19...Ne6, but Kasparov could have maintained strong attacking chances with 20 Be6 Qe6 21 Nd4 Qe7 22 Nf5. After he had increased his mobilization as much as he could, the champion took back his pawn with 20 Nd4, which also cleared the third rank for the b3 rook to cross over to the attack. After 22 Bb2, Gelfand could not wait for the juggernaut to descend on him with g3 followed by f4. Thus, he could not be criticized for trying a pre-emptive strike with 22...Nh4 23 Ree3! Qg5 24 24 g3 Nhg6 25 Qe2 h5 26 Bg2 h4 27 f4 Nf4 28 gf Qf4. The trouble was that Kasparov had positioned his pieces for attack and defense, so that there was no chance for Black to succeed.

Gelfand knew he could not retreat either and accordingly sacrificed a second knight with the desperate 29...Ng4 30 hg Bg4. The cold-blooded, confident Kasparov snipped more material with 31 Na8.

After 32...Bg3, Kasparov stopped the attack once and for all with 33 Rg3! hg



GELFAND/BLACK

KASPAROV/WHITE

Position after 32 . . . Bg3

34 Qd3 Bh3 35 Qg3. Gelfand's proceeding with 35...Qh1 36 Kf2 Bg2 37 Qg2 was surely just a last defiant gesture. After 37...Qh4 38 Ke2, the white king was invulnerable and the champion was rife with threats of 39 Ne6! and 39 Nf5!, so Gelfand gave up.

SLAV DEFENSE

| White Kasparov | Black Gelfand | White Kasparov | Black Gelfand |
|---|---|---|---|
| 1 d4 | d5 | 20 Nd4 | Nde5 |
| 2 c4 | c6 | 21 Bf1 | Rd8 |
| 3 Nf3 | Nf6 | 22 Bb2 | Qh4 |
| 4 e3 | e6 | 23 Re3 | Qg5 |
| 5 Nf3 | a6 | 24 g3 | Nhg6 |
| 6 Bd | Bb4 | 25 Qe2 | h5 |
| 7 Bd2 | Bd6 | 26 Bg2 | h4 |
| 8 Bd3 | O-O | 27 f4 | Nf4 |
| 9 O-O | Be6 | 28 gf | Qf4 |
| 10 e4 | de | 29 Ng4 | hg |
| 11 be | e5 | 30 Ne6 | Bg4 |
| 12 c5 | Bc7 | 31 Na8 | Bg3 |
| 13 Na4 | Nd7 | 32 Kf1 | Bg2 |
| 14 h3 | Re8 | 33 Rg3 | Bh3 |
| 15 Re1 | Nf8 | 34 Qd3 | Bg3 |
| 16 Rb1 | Ng6 | 35 Qg3 | Qh1 |
| 17 Be1 | Qe7 | 36 Kf2 | Bg2 |
| 18 Rb2 | Nh8 | 37 Qg2 | Qh4 |
| 19 Bc1 | Ng6 | 38 Ke2 | Resigns |

# BOOKS

**TREES, WHY DO YOU WAIT? America's Changing Rural Culture**

*By Richard Critchfield. 270 pages. $29.95; paperback, $16.95. Island Press, 1718 Connecticut Avenue NW, Suite 300, Washington, D. C. 20009.*

Reviewed by Jonathan Yardley

RICHARD Critchfield has made a career out of studying village life, in both developed and underdeveloped societies, and from it he has drawn the "main argument" in this book, that "what kind of urban culture we have in America is going to depend on how many Americans farm." He writes:

"In this book I'd like to invite readers to view rural America in an essentially anthropological way. Cultural adaptation and ways for the small family farm and rural community to survive are what we should be looking for and trying, if possible, mainly economically, to assist. The way to solve the farm problem, if there is a way, is on the farm. But the culture we are really trying to save by keeping enough people on the farm, make no mistake about it, is the increasingly secular, scientific, anonymous, unstable, highly differentiated culture of urban America. It is our own."

By contrast with this urban culture Critchfield posits rural America, which embraces "such values as paternal authority, early marriage, divorceless monogamy and multichild marriages," not to mention fidelity to the religious beliefs and practices that have withered in the cities. "My point," Critchfield writes, "is not that urban or rural life is better or worse — both have advantages. My point is that urban culture *requires* a rural base, the foundation of its basic institutions like the family."

To see precisely what is rural America's current state, Critchfield visited two villages. The first, which he calls Prairie, is on the sparsely populated North Dakota prairie, and the second, Crow Creek, is in Iowa, near Cedar Rapids.

In both places he found similar evidence of the decline of rural life: downtowns vacated by stores unable to compete with the price-cutting Wal-*Marts or* comparable enterprises in malls, farmers squeezed by high land prices in the early '80s and drought later in the decade, fathers hard-pressed to pass their land along to their sons, drugs and other imports from the big cities. The traditions and human relations of the country — the culture, as Critchfield employs the term — have shaped America, so when the country life is threatened, so too is ours.

But it's easier to say so than to say what to do about it. Critchfield asks a number of heavy hitters to offer remedies, but the extent to which they disagree suggests nothing so much as the intractability of the problem. In any event it is not one that will be resolved by public policy, though enlightened ones surely wouldn't hurt. Rural America and its farms will rise or fall on the private decisions of individuals and businesses, just as they have in the past.

*Jonathan Yardley is on the staff of The Washington Post.*

PEANUTS

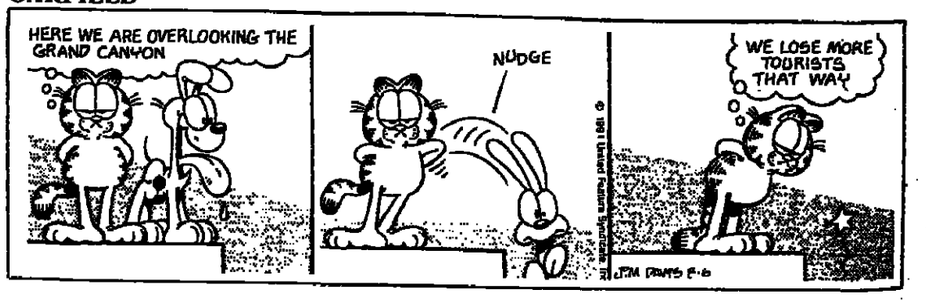
BEETLE BAILEY

CALVIN AND HOBBES

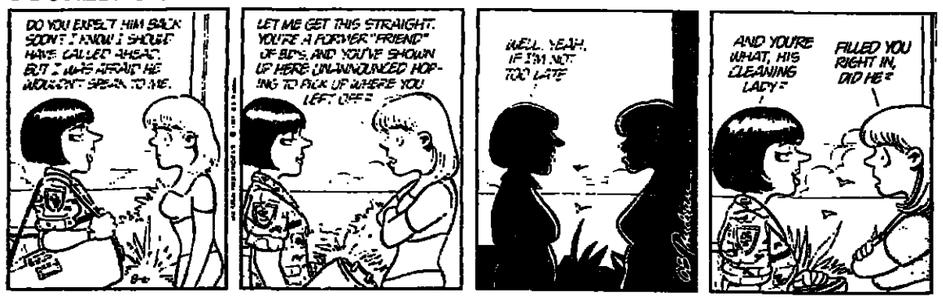
WIZARD of ID

REX MORGAN

GARFIELD




DOONESBURY




DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FIMOT

VUCER

TRUFOH

SWEDIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon

Answer here: "_____"

(Answers tomorrow)

Yesterday's Jumbles: WOVEN EXPEL CRAVAT SYMBOL
Answer: Some people who attend conventions rarely do this — OBSERVE ARM

# SPORTS

## Brazil Stars Eclipse The U.S. Women in Basketball Stunner

By George Vecsey
*New York Times Service*

HAVANA — The 42-game winning streak by the U.S. women's basketball team in major world competition came to an end when Brazil stunned the Americans, 87-84, in the Pan American Games.

The U.S. women led by 14-3 and 26-8 early Sunday, but the Brazilians worked themselves back into the game behind their legendary backcourt gunners, Hortencia Marcari and Maria Paula da Silva.

Like other famous Brazilian athletes — Pelé in soccer, Oscar in basketball — both are known by one name: Hortencia and Paula, something like Magic and Michael both trying to lead a U.S. men's basketball team.

Hortencia and Paula are so powerful and popular they have never been allowed to play on the same team in the São Paulo state league. One or the other has reached the finals in 10 of the past 11 years.

Sunday, these two old state rivals and national teammates put the game away with clutch shooting in the final minutes.

Hortencia tossed in a difficult spinning right-handed jump shot against Teresa Edwards while driving toward the left corner with 24 seconds left for an 85-82 lead, and then Paula and Hortencia each made one foul shot when the United States had to commit personal fouls in the closing seconds.

Then the Brazilian flag with the familiar globe was being waved by dancing, chanting fans, to celebrate a huge international victory.

The U.S. team had won all major matches in Summer Games, Goodwill Games, world championships and Pan-American Games going back nearly a decade. The last defeat for the team came against the Soviet Union in the 1982 world championships. But the Americans looked befuddled Sunday as Brazil shot and scrambled its way back.

"I was not here the last time we lost," said Andrea Lloyd, a 25-year-old who formerly played for the University of Texas. "And I don't like to lose, especially because of defensive mistakes."

The mood of the American team was grim after the game. Both teams are likely to qualify for the semifinal round and could meet in the championship match.

Paula had 22 points and Hortencia 18. Brazil was led in scoring by Marta de Souza, a willowy forward with a Grace Jones-style flat-top hairdo, who had 24 points.

However, Hortencia and Paula are the heart and soul of the team, two shooting guards who somehow co-exist in international play.

Manuel Perez, the Cuban coach, recently said, "Paula plays for the Brazilian team while the Brazilian team plays for Hortencia."

Hortencia has the greater international reputation, partly for having scored 64 points in one game six or seven years back.

Two years ago, Hortencia married José Victor Oliva, a São Paulo restaurant owner known as the King of the Night.

Last season, Hortencia went to Italy and played for Enimont-Priollo for a cool $15,000 a month, the highest rate she had ever made in her career.

Now 31, she said Sunday: "My hope is to qualify for the Olympics because Brazil has never reached them. After that, I will stop playing and have a baby."

### *Steinbrenner Fires*

*The Associated Press*

HAVANA — The cry "Yankee go home" gains new meaning when the Yankee is George Steinbrenner and those saying it are Americans.

Steinbrenner endeared himself to no one on the U.S. Pan American Games team with comments Sunday about athletes who stayed away. Steinbrenner, banished boss of baseball's New York Yankees but in good standing with the U.S. Olympic Committee, threatened to sue hurdler Tony Dees, who agreed to come here but withdrew for a meet in Europe. Dees competes for a track team Steinbrenner owns.

Steinbrenner said top athletes had "no excuse" for skipping the games. "I want to emphasize that I'm not criticizing those who are here," he said. "But most of them finished fourth, fifth, sixth or seventh in our national championships."

Ollan Cassell, executive director of the governing body of U.S track and field, responded, "This is not the NBA or NFL, where we can demand that the athletes show up."

Cris Bouroncle/Agence France-Presse

When the game is baseball, as it was with Aruba's Lyle Romblay eluding catcher René Duarte in an 8-1 Mexico victory, Cuba tunes in.

## *On an Island Diamond, Sport Sparkles*

By Christine Brennan
*Washington Post Service*

HAVANA — The glamour sport of the Pan American Games has opened at Estadio Latino Americano. Admission was free and fans poured in to watch the sport they care most about, the team that brings them eternal pride, one of the few wonderful things to come from their poor island nation.

They came to watch baseball.

Sunday afternoon, Cuba, the reigning world champion, hit seven home runs to defeat Nicaragua, the world runner-up, 14-6, to begin what many believe will be their march to an inevitable gold medal. Down the road, they will meet the United States, a team that won two of three games here last month, which was the first time Cuba ever lost an international series at home.

If things go as planned, Cuba still will win the gold medal at its Pan Am Games and go into the Olympics as the favorite. All Cuba, the United States or any nation really must do is finish in the top four here to qualify for the 1992 Summer Games. Fifth place and your country won't have a baseball team in Barcelona.

So, as sports go at the less-than-spectacular Pan Am Games, the baseball competition is very important.

But that's not why men in the stands argue over the finer points of the game. That's not why spectators stick around during a half-hour rain delay. That's not why children run through the streets with sticks, swatting bottle caps and dreaming of the day they might play in the big stadium down the street.

They do that because it simply is baseball.

The nation that produced Tony Perez and Luis Tiant has developed another generation of superstars, but no one in the outside world knows about them. They have names like Omar Linares, Victor Mesa and Antonio Pacheco, and they cheer their country in these dark days.

"We give a lot of enjoyment to our nation," said Linares, the 23-year-old third baseman who is his nation's top player. "Baseball can overcome these hardships."

A particularly entertaining moment occurred when, before an estimated 30,000 spectators, the Cubans routed the Nicaraguans. They did more than hit the seven home runs, including three in a row in the eighth inning; they executed a suicide squeeze and Mesa stole home.

"It had been a while since I had done it, so I did it," said Mesa, 31, Cuba's all-time stolen base leader.

Mesa is called "El Loco," because he is crazy, his teammates say. Linares, who has a lifetime average of .366 and has hit .400 five times since 1982, is "El Niño," or The Little One, because he began playing in the Cuban majors at age 14.

Linares has taken on a larger-than-life quality in observers' eyes. But were he to come to the United States, the minor leagues might be his first stop. Mike Brito, the Los Angeles Dodgers' scout who discovered Fernando Valenzuela, was sitting behind home plate Sunday, smoking a long Cuban cigar. He grew up near the ballpark and believes that if Cuban baseball players were allowed to come to the United States, Linares would be the top prospect.

The national pastime is a bit different here than it is 90 miles (145 kilometers) to the north. Fans throw every foul ball and home run back. Peanuts have been replaced by shortbread cookies. Sitting has replaced standing for the seventh-inning stretch.

"We love this game in this country," said Brito. "We really do."

## Sagging Mets Watch As Pitching Staff Yields Another Loss

By Joe Sexton
*New York Times Service*

NEW YORK — The window of opportunity had been opened a crack for two weeks and thrown wide open for days. The New York Mets stood and stared at it, trying to figure out a way in.

Sunday, the Pirates won, the Mets lost and the window banged shut with force. The Mets, more embarrassed than angry, turned away under a torrent of boos.

On Banner Day in Shea Stadium, the Mets waved the white flag. If it wasn't outright surrender they were signaling with their 8-3 loss to the Chicago Cubs, they were obviously demonstrating that they had no taste for a fight with Pittsburgh.

The loss, achieved with the scandalously suspect pitching of David Cone and their erratic offense, was their 10th in the last 12 games.

"We're past disgust," said John Franco, the Mets' veteran closer.

Day after day the Mets had seen the Pirates lose and been able to do nothing but lose themselves. While the Pirates, whose victory Sunday over the Cardinals was their first in nine games, lost eight straight, the Mets went 1-5. So the Pirates, despite going 5-9 over their last 14 games, wound up gaining two games on the Mets.

"We desperately needed a win," said Cone, who lost for the third time in four starts. "And I didn't even give us a chance."

He didn't because he handed the Cubs everything they wanted at the plate. The Cubs, with two hits and a walk, scored a run in the first inning. Then, with four hits and a walk to start the third, the Cubs ended Cone's afternoon and the final total of five runs buried the chances of recovery for the Mets.

After yet another mauling of their pitching staff, the Mets announced they were waiving veteran infielder Tom Herr and calling up right-hander Anthony Young.

■ *In Sunday's other games, The Associated Press and United Press International reported:*

**Astros 2, Dodgers 1:** Craig Biggio's RBI single in the 10th inning

### NATIONAL LEAGUE

*in Houston led the Astros to their* seventh victory in a row. It was Houston's third straight triumph in its final at-bat.

Houston escaped a jam in the fifth by turning its second triple play of the season. Mike Sharperson singled and moved to second on a hit by Stan Javier. Alfredo Griffin lifted a fly ball into foul territory in shallow right. Mike Simms caught the ball and threw to third, where Ken Caminiti tagged a sliding Sharperson. Caminiti threw to Andujar Cedeno, who nailed Javier sliding into second.

**Reds 6, Giants 5:** Barry Larkin drove in five runs and Paul O'Neill drew a bases-loaded walk with two outs in the bottom of the ninth inning to give Cincinnati its seventh victory in the last 24 games.

**Phillies 3, Expos 2:** *In Montreal,* Dale Murphy doubled home Lenny Dykstra in the 10th to lift Philadelphia to its sixth straight victory.

**Braves 9, Padres 7:** Ron Gant went 4 for 4 in Atlanta and hit a three-run homer.

**Pirates 2, Cardinals 1:** John Smiley threw a five-hitter in Pittsburgh to help the Pirates snap an eight-game losing streak.

## Twins and Erickson Take A's by Storm

*The Associated Press*

The Minnesota Twins turned back their first big challenge in the American League West, convincing the doubters who assumed that they would meet more than their match when they took on the Athletics in Oakland.

As it turned out, the Twins did just fine, winning twice in the three-game series. They finished with Scott Erickson's major league-leading 15th victory on Sunday.

"We came in here in first place, and we're leaving in first place," said Chili Davis, who homered and doubled in Minnesota's 6-2 victory. "I guess a lot of people expected us to come in here and have the A's all over us. That's O.K."

Erickson allowed two runs on five hits in 6⅔ innings. He improved to 4-0 in five starts since returning from the disabled list with elbow problems, and Carl Willis finished for his second save.

Dave Stewart gave up five runs in five innings. In his last three starts, he has pitched 17 innings and given up 17 earned runs on 22 hits and 12 walks.

"This one series won't make or break us," Stewart said. "There's still a couple of months to go. That's a lot of time."

**Tigers 7, Yankees 6:** Pinch hitter Tony Phillips tied the game with a solo homer with two outs in the bottom of the ninth, and Lloyd Moseby singled home the winner in the 10th.

New York reliever Steve Farr had not allowed a run in 27⅔ innings until Phillips, batting for Skeeter Barnes, hit his 11th homer.

**Brewers 3, Rangers 2:** Willie Randolph's RBI double with two

### AMERICAN LEAGUE

outs capped a two-run rally in the bottom of the ninth inning that sent Milwaukee over Texas.

**Mariners 5, Angels 2:** Jay Buhner homered for the fourth straight game, a three-run shot in the top of the 12th inning that sent Seattle to victory in Anaheim, California.

The Mariners are 57-48, the first time in their 15-year history that they've been nine games over .500.

**Blue Jays 2, Red Sox 1:** Tom Henke tied a major league save record and John Olerud doubled home the tiebreaking run in the eighth inning as Toronto salvaged the finale of a three-game series at Fenway Park.

**White Sox 1, Orioles 0:** Charlie Hough pitched a five-hitter for his first shutout since 1989 and Frank Thomas homered for the only run in Comiskey Park.

**Royals 2, Indians 0:** Bret Saberhagen pitched a three-hitter and struck out a season-high nine, leading Kansas City in Cleveland. Gary Thurman hit an RBI single and a sacrifice fly.

## PDM Now Raises More Questions Than It Answers

(Continued from Page 1)

he said. "So one injection is better than 20 pills."

"Of course," he added, "nobody needs to take 20 pills either.

"With injections, however, there's a psychological advantage for some riders. It hurts, so they can think they're getting something that the other riders don't have. Many traditional teams create a feeling with their riders that if they don't have injections, they feel less confident."

Another team coach, Jan Raas of Buckler, confirmed that injections were not uncommon. "But not food supplements with us, no, no, no, no," he said. "Some vitamin injections, sometimes glucose but not more than that."

Injections by riders without benefit of medical advice was standard when Raas was in his heyday as a rider a decade ago. He won 10 stages in the Tour de France and was world road-race champion in the late 1970s. "In my time there were no team doctors," he said. "Doctors are better because you can trust them."

Medical practice was often dispensed then by *soigneurs*, as they are called in French — often mechanics or masseurs.

"I never did injections myself because I was a little bit afraid of them, always," Raas continued. "I took vitamin pills and iron pills."

Do some riders still inject themselves? "It's a good question," he said. "I don't know."

At a news conference near the end of the Tour, PDM officials strongly denied that drugs had been involved. The French press and television made such suggestions immediately after the withdrawals, with the daily sports newspaper l'Equipe talking openly about doping or blood packing gone wrong.

"We reject any insinuations about drugs," said Manfred Krikke, the manager of the PDM team. He and PDM's medical authorities said salmonella was the prime suspect.

"There is absolutely no drug use involved," added Professor Jacques van Rossum of the department of pharmacology at the University of Nymegen in the Netherlands.

Since no PDM riders failed any of the four drug tests administered to them, the Tour's doctors did no further investigating.

In a telephone conversation from the Netherlands on Monday, Krikke offered two possible reasons for the contamination. One was that the food supplement, which was injected three times during the race, had been stored in high heat in a car. The other was that the needle used might have contained air, which he called a "good growing ground for bacteria."

He described the supplement as "standard food in hospitals, used for patients who have stomach problems or are in a coma." Its use has been discontinued by PDM, he added.

Jan Gisbers, the team's coach, explained that the use of food supplements in forms other than injections had been standard practice for the last half-dozen years at least.

"You have to do it," he said, "because of the calories a rider burns. In a heavy racing day, he needs more than 6,000 calories, sometimes 9,000 to 10,000." Professional riders eat big breakfasts, usually based on carbohydrates, and big dinners, usually based on proteins. During a daily stage they consume one or two lunches, which are eaten on the fly from canvas bags packed with small sandwiches, pastries and fruit.

The average rider will also drink up to a dozen bottles of liquid in a race, mainly water but increasingly high-energy compounds.

Gisbers added that not all nine riders had received three injections in their arms during the Tour. "Some got two shots, some three," he said. "But the last time, they all received it." That was at Rennes, a day before the first rider fell sick.

The team's physician, Dr. Wim Sanders, refused to comment when he was reached in the Netherlands.

Both Krikke and Gisbers stressed their opposition to banned drugs.

"We don't want to be involved with drugs," Krikke said. "We have a very strict policy to work along UCI lines on banned substances." He spoke of the 3,600 drugs outlawed by the International Cycling Union, known as the UCI from its French initials.

Among the riders forced to quit were Erik Breukink, a Dutchman, and Raul Alcala, a Mexican, early favorites in the Tour, which was won by Miguel Indurain, a Spaniard. Other PDM riders affected included Sean Kelly and Martin Earley, both Irishmen.

From his home in England, Earley reported Monday that he was feeling better and had raced Sunday in the Wincanton Classic but had to drop out after 100 miles (161 kilometers). He hoped to be back at full strength for the next major races in August.

"They told us it was a salmonella bacteria," he said. "To me, where it came from doesn't really matter that much. I was out of the Tour and that was the biggest shock. It was a terrible thing and that's it."

Asked if he had any doubts about the team's future medical policy, he was hesitant. "I have no idea," he finally answered. "I'm not a doctor. I can't say I won't listen to the doctor. What would you do?"

## SIDELINES

### Johnson Makes 'B' Team in Malmo

MALMO, Sweden (AFP) — Canadian sprinter Ben Johnson had to threaten court action to force organizers of the Malmo international athletics meeting to let him take part on Monday night.

But Johnson only gained entry to the "B" series 100-meter race, organizers said. They had planned to cancel his appearance because of his weak performances since coming back from a ban imposed after the 1988 Olympics, when he tested positive for steroids after setting a world record.

World record holder Leroy Burrell and fellow American Carl Lewis were to take part in the main race.

### Leeds United Shot Down in Tokyo

TOKYO (AP) — Carlos Alberto Santos scored on a penalty kick in the first half, giving the Brazilian club team Botafogo a 1-0 victory over Britain's Leeds United in a World Soccer '91 exhibition on Monday.

The shot came after Renato Gaucho, a member of the Brazilian national team, dribbled the ball into the penalty area. The game was played before 41,000 spectators at the Tokyo Dome.

### Benetton Gets Top Rugby Scorer

SYDNEY (Reuters) — Australian flyhalf Michael Lynagh, the world record holder for international points, will play for Italian club Benetton Treviso after this year's rugby union World Cup.

Lynagh, who has scored 607 points in 45 tests, said he would join Benetton in November and return to Australia next June. "At this stage it's just for one year but if both parties agree I may go back," said Lynagh, 27.

### Valenzuela's Rehabilitation Slides

PORTLAND, Oregon (AP) — Fernando Valenzuela's fast ball escaped him for one inning and his comeback attempt hit a snag as the Portland Beavers defeated the former Cy Young Award winner and the Edmonton Trappers, 7-3, in a Pacific Coast League game.

Valenzuela went four innings but allowed six runs in the second inning and walked three in his second appearance at the Triple A level. He gave up a lead-off homer to Bernardo Brito in the second inning, then walked three batters. "Other than the home run, they didn't hurt me," he said.

The California Angels have until Aug. 19 to recall Valenzuela to the majors before he becomes a free agent.

### For the Record

The United States beat European champion Italy, 90-85, in overtime in Edmonton, Alberta, on Sunday to take the championship of the World Junior Men's Basketball Championships. *(AFP)*

Joe Gibbs, reacting to a request from several of his veteran Washington Redskins' players, said he has dropped his objections to playing a preseason game in Europe, and he and owner Jack Kent Cooke indicated that they would probably accept an invitation to play there next summer. That invitation would seem to be a foregone conclusion since the NFL has asked the Redskins to play overseas several times, but Gibbs said it would take too much time out of preparation for the season. *(WP)*

## SCOREBOARD

### BASEBALL

#### Major League Standings

**AMERICAN LEAGUE**

| East Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Toronto | 60 | 46 | .566 | — |
| Detroit | 55 | 49 | .529 | 4 |
| Boston | 53 | 54 | .481 | 9 |
| New York | 47 | 54 | .465 | 10½ |
| Milwaukee | 44 | 60 | .423 | 15 |
| Baltimore | 42 | 61 | .408 | 16½ |
| Cleveland | 34 | 69 | .330 | 24½ |
| **West Division** | | | | |
| Minnesota | 63 | 43 | .594 | — |
| Chicago | 59 | 45 | .567 | 3 |
| Oakland | 58 | 48 | .547 | 5 |
| Seattle | 57 | 48 | .543 | 5½ |
| Texas | 54 | 47 | .535 | 6½ |
| Kansas City | 52 | 51 | .505 | 9½ |
| California | 52 | 52 | .500 | 10 |

**NATIONAL LEAGUE**

| East Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Pittsburgh | 61 | 42 | .592 | — |
| St. Louis | 56 | 48 | .538 | 5½ |
| New York | 55 | 48 | .534 | 6 |
| Chicago | 51 | 52 | .495 | 10 |
| Philadelphia | 46 | 58 | .442 | 15½ |
| Montreal | 43 | 61 | .413 | 18½ |
| **West Division** | | | | |
| Los Angeles | 58 | 45 | .563 | — |
| Atlanta | 54 | 48 | .529 | 3½ |
| Cincinnati | 51 | 51 | .500 | 6½ |
| San Francisco | 50 | 53 | .485 | 8 |
| San Diego | 50 | 54 | .481 | 8½ |
| Houston | 44 | 59 | .427 | 14 |

#### Sunday's Line Scores

**AMERICAN LEAGUE**

Kansas City 010 000 001—2 8 0
Cleveland 000 000 000—0 3 0
Saberhagen and Seehrs; Otto, Hillegas (9) and Skinner, Lopez (9). W—Saberhagen, 8-5. L—Otto, 0-2.

Toronto 001 000 010—2 7 1
Boston 000 010 000—1 6 0
Stottlemyre, Ward (7), Henke (9) and Borders; Harris, Lamp (6) and Pena. W—Ward, 5-3. L—Lamp, 3-3. Sv—Henke (23). HR—Boston, Clark (19).

Baltimore 000 000 000—0 5 0
Chicago 000 001 00x—1 4 1
Mussina, Poole (8) and Melvin; Hough and Karkovice. W—Hough, 7-6. L—Mussina, 0-1. HR—Chicago, Thomas (22).

Texas 000 000 200—2 11 1
Milwaukee 000 100 002—3 10 0
Boyd, Jeffcoat (7), Gossage (8), Russell (8) and Rodriguez; Bosio, Crim (7) and Surhoff. W—Crim, 6-5. L—Russell, 3-4. HR—Texas, Downing (12).

New York 100 302 100 0—7 13 0
Detroit 001 120 201 1—6 13 1
(10 innings)

Taylor, Howe (5), Guetterman (6), Mahoyn (7), Farr (8) and Geren; Aldred, Gleaton (5), Kiely (7), Gibson (8), Henneman (10) and Tetten. W—Henneman, 4-2. L—Farr, 2-3. HRs—Detroit, Fielder (31), Phillips (11), Fryman (15).

Minnesota 301 001 001—6 11 0
Oakland 000 010 100—2 6 0
Erickson, Willis (7) and Ortiz; Stewart, Nelson (6), Young (9), Hawkins (9) and Quirk. W—Erickson, 15-3. L—Stewart, 8-6. Sv—Willis (2). HR—Minnesota, Davis (25).

Seattle 001 000 100 003—5 7 0
California 200 000 000 000—2 5 1
(12 innings)

Hanson, Murphy (8), Swift (8), Jones (9), Jackson (11), Schooler (12) and Valle; Langston, Eichhorn (7), Bolles (8), Harvey (9), Fetters (12) and Tinsley, Parrish (10). W—Jackson, 6-4. L—Fetters, 0-3. Sv—Schooler (3). HRs—Seattle, Buhner (20). California, Joyner (13).

**NATIONAL LEAGUE**

Pittsburgh 100 001 000—2 6 1
St. Louis 000 010 000—1 5 1
Smiley and Prince; Hill, McClure (9) and Pagnozzi, Gedman (9). W—Smiley, 13-7. L—Hill, 8-8.

Philadelphia 000 020 000 1—3 6 1
Montreal 000 110 000 0—2 6 1
(10 innings)

DeJesus, Williams (9) and Daulton, Lake (10); Haney, Ruskin (8), Jones (8), Fassero (10) and Fitzgerald. W—Williams, 3-3. L—Fassero, 1-2.

San Diego 010 014 010—7 15 2
Atlanta 000 020 01x—4 14 0
Rasmussen, Castello (5), Rodriguez (5), Melendez (6), Maddux (8) and Santiago; Avery, Clancy (6), Stanton (6), Mercker (9), Berenguer (9) and Cabrera. Olson (9). W—Avery, 12-5. L—Rasmussen, 3-9. Sv—Berenguer (16). HRs—San Diego, McGriff (20). Atlanta, Gant (22), Cabrera (2).

Los Angeles 000 100 000 0—1 5 0
Houston 000 000 100 1—2 6 0
(10 innings)

Belcher, Gross (9) and Carter; Deshales, Corsi (8), Osuna (9) and Biggio. W—Osuna, 7-3. L—Gross, 4-7. HR—Los Angeles, Strawberry (15).

Chicago 105 000 020—8 12 0
New York 000 002 000—3 7 0
Maddux, McElroy (6), Lancaster (8) and Wilkins; Cone, Burke (3), Penz (6), Simons (8), Innis (8), Franco (9) and Sasser, Carone (7). W—Maddux, 9-6. L—Cone, 10-8. HRs—New York, Jefferies (21), Johnson (23).

San Francisco 010 000 000—1 5 0
Cincinnati 020 000 20x—4 8 1
Wilson, Downs (7), Brantley (8) and Manwaring; Browning, Dibble (7), Power (9) and Oliver. W—Power, 4-1. L—Brantley, 3-2. HRs—San Francisco, Bass (8). Cincinnati, Larkin (17).

#### Japanese Baseball

**CENTRAL LEAGUE**

| | W | L | T | Pct. | GB |
|---|---|---|---|---|---|
| Chunichi | 48 | 31 | 1 | .606 | — |
| Yakult | 49 | 36 | 1 | .576 | 2 |
| Hiroshima | 48 | 43 | 1 | .527 | 5½ |
| Yomiuri | 46 | 42 | 0 | .523 | 5½ |
| Taiyo | 36 | 48 | 1 | .429 | 14½ |
| Hanshin | 25 | 56 | 0 | .309 | 24 |

**PACIFIC LEAGUE**

| | W | L | T | Pct. | GB |
|---|---|---|---|---|---|
| Kintetsu | 57 | 27 | 2 | .679 | — |
| Seibu | 51 | 32 | 2 | .612 | 5½ |
| Nissan Hom | 42 | 41 | 2 | .506 | 9½ |
| Orix | 39 | 45 | 2 | .465 | 12 |
| Daiei | 37 | 43 | 0 | .463 | 12 |
| Lotte | 32 | 55 | 0 | .329 | 24½ |

No games scheduled on Monday

### PAN AM GAMES

**MEDALS THROUGH SUNDAY**

| | G | S | B | Tot |
|---|---|---|---|---|
| Cuba | 10 | 5 | 3 | 27 |
| United States | 5 | 5 | 7 | 17 |
| Canada | 2 | 5 | 7 | 14 |
| Mexico | 1 | 4 | 2 | 7 |
| Brazil | 0 | 1 | 2 | 3 |

**Sunday's Results**
*(all race distances in meters)*

**BASEBALL**
Dominican Republic 4, Antilles 3
Cuba 14, Nicaragua 6
Mexico 8, Aruba 1
Puerto Rico 12, Canada 8

**BASKETBALL**
Men
Bahamas 104, Argentina 96, OT
Brazil 94, Uruguay 72
Women
Brazil 87, United States 84
Cuba 95, Canada 71

**CANOE-KAYAK**
Men's Canoe
1,000 singles—1. Armando Siless, Cuba, 4 minutes, 6.19 minutes; 2. Paul Pageau, Canada, 4:07.35; 3. Fred Spaulding, U.S., 4:09.28.
1,000 doubles—1. Juan Antonio Abolfi and Fernando Machado, Cuba, 3:42.49; 2. Juan Antonio Romero and Jose Roman Ferrer, Mexico, 3:46.19; 3. James O'Leary and Gavin Maxwell, Canada, 3:51.28.
Men's Kayak
1,000 singles—1. Michael Herbert, U.S., 3:43.81; 2. Angel Perez Medina, Cuba, 3:47.54; 3. Peter Giles, Canada, 3:54.14.
1,000 doubles—1. Mariano Marceca and Luis Estevez Pinto, Cuba, 3:22.28; 2. Mauricio Vargouven and Jose Luis Maratia, Argentina, 3:25.62; 3. Peter Giles and Robert Gibb, Canada, 3:27.64.
1,000 fours—1. Cuba (Angel Perez Medina, Luis Fernandez Remon, Mario Rodriguez, Luis Estevez Pinto), 3:04.83; 2. United States (Mitch Kohn, Chris Barlow, Curt Bader, Patrick Richardson), 3:08.05; 3. Canada (Scott Kerrigan, Jasson Mofatt, Jeff Allben, Ashley McColgan), 3:08.51.
Women's Kayak
500 fours—1. Cuba (Tatiana Valdes, Mirlenis Aguilleras, Elisa Zaldivar, Yamile Lay Alvarez), 1:39.78; 2. Canada (Tessa DeSouza, Corrina Kennedy, Lucy Slade, Leslie Anne Young), 1:40.38; 3. United States (Lori Schick, Sharon Attlesey, DeAnne Hemmens, Helen Collins), 1:43.81.

**CYCLING**
Men
100 kilometer time trial—1. Cuba, 2 hours, 8 minutes, 56.09 seconds; 2. Colombia, 2:09:56.39; 3. United States (John Lochner, Richard McClure, Dave Nicholson, Steve Larsen), 2:09:32.
Women
50 kilometer time trial—1. United States (Jeanne Golev, Sheri Rodgers, Jen Bolland, Dede Demet), 1:03:52; 2. Cuba, 1:05:59; 3. Canada, 1:08:30.

**DIVING**
Women
1. Karen LaFace, U.S., 473.970 points; 2. Paige Gordon, Canada, 458.280; 3. Mayte Garbey, Cuba, 457.860.

**FIELD HOCKEY**
Women
Argentina 3, Mexico 0
Jamaica 1, Barbados 1, tie
Canada 7, Cuba 0
United States 2, Trinidad 1

**SOCCER**
Mexico 4, Haiti 1
Cuba 4, Nicaragua 1

**SOFTBALL**
Men
Mexico 8, Dominican Republic 3
United States 3, Panama 1
Bahamas 5, Argentina 0
Cuba 21, Aruba 5
Canada 8, Antilles 1
Women
Puerto Rico 3, Venezuela 2
Cuba 4, Nicaragua 1
Antilles 7, Bahamas 2
United States 1, Canada 0

**TEAM HANDBALL**
United States 22, Argentina 21
Cuba 29, Canada 16

**TRACK AND FIELD**
Men
20 Kilometer walk—1. Hector Moreno, Colombia, 1 hour, 24 minutes, 56 seconds; 2. Joel Sanchez, Mexico, 1:25:45; 3. Marcelo Moreira, Brazil, 1:26:42.
Women
3,000—1. Sabrina Dornhoefer, U.S., 9 minutes, 16.15 seconds; 2. Maricarmen Diaz, Mexico, 9:19.05; 3. Carmen Oliveira, Brazil, 9:19.18.
Shotput—1. Belsy Laza, Cuba, 61 feet, 11 inches; 2. Connie Price-Smith, U.S., 60-1½; 3. Romona Pagel, U.S., 59-3½.

### TENNIS

*MAZDA CLASSIC*
In Carlsbad, California
Final
Jennifer Capriati (4), U.S., def. Monica Seles (1), Yugoslavia, 4-6, 6-1, 7-6 (7-2).

*U.S. PRO CHAMPIONSHIP*
In Newton, Massachusetts
Final
Andres Gomez (7), Ecuador, def. Andrei Cherkasov (1), Soviet Union, 7-5, 6-4.

*ATP PHILIPS HEAD CUP*
In Kitzbuehel, Austria
Final
Karel Novacek (2), Czechoslovakia, def. Magnus Gustafsson (4), Sweden, 7-6 (7-2), 7-6 (7-4), 6-2.

### FOOTBALL

**NFL PRESEASON GAMES**
*Sunday's Result*
Pittsburgh 14, Washington 7

### SOCCER

**WORLD SOCCER '91 EXHIBITION**
In Tokyo
Botafogo 1, Leeds United 0

### TRANSACTIONS

**BASEBALL**
American League
BOSTON—Put Darryl Irvine, pitcher, on 15-day disabled list, retroactive to August 1. Recalled Jeff Plympton, pitcher, from Pawtucket, International League.
OAKLAND—Optioned Bruce Walton and Joe Slusarski, pitchers, to Tacoma, Pacific Coast League. Activated Ron Darling, pitcher, and Scott Brosius, infielder.
TEXAS—Recalled Brian Bohanon, pitcher, from Oklahoma City, American Association. Put John Barfield, pitcher, on 15-day disabled list.
National League
ATLANTA—Activated Sid Bream, first baseman, from 15-day disabled list. Sent Jeff Parrett, pitcher, to Richmond, International League.
CHICAGO—Activated Danny Jackson, pitcher, from 15-day disabled list.

**FOOTBALL**
National Football League
SAN DIEGO—Signed Stanley Richard, safety.
DALLAS—Waived Eric Mitchel, running back.
DETROIT—Signed Mark Brown, linebacker, and Eric Sanders, offensive lineman.
PHILADELPHIA—Signed Kevin McArthur, linebacker. Waived Chad Fortune, tight end.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## ART BUCHWALD

# Helping the U. S. A.

WASHINGTON — We know what George Bush told Mikhail Gorbachev at the summit, but we don't know what Gorbachev told Bush. Here are the minutes as taken by Raisa Gorbachev.

Gorbachev said, "I can't take financial aid from you unless you straighten out your economic problems in the United States, especially the savings and loan mess. We don't want technical help from a country that doesn't know how to keep its books."

Buchwald

Bush replied, "We're doing the best we can. But this isn't really a federal problem. The states have to solve it."

Gorbachev asked, "What about your telephone system? It makes me sick to see what a mess your telephones are in."

"I don't like the present telephone system any more than you do. But if I were to take federal money to update the phones, I wouldn't have any left to balance the budget," Bush answered.

□

Gorbachev then told Bush, "What concerns me more than anything else is the environment in the United States. How can we accept agricultural supports from a country that does not know what to do about acid rain?"

Bush was angry. "All that stuff about acid rain is being put out by the Democrats to make me look bad. Our environment record is no worse than Bangladesh's, and we got off to a later start."

"I know it's not my business to tell you what to do, but you would be better off if you didn't deregulate so much. We did it in the U. S. S. R., and we almost lost Estonia. Government regulation is good because it gives the bureaucrats full employment."

"You sound like a Russian Governor Cuomo," Bush muttered.

□

Gorbachev replied, "You must understand that the Soviet Union is not used to borrowing money from outside its borders. We don't even like to take free sugar from Cuba. But we're really in the soup, because there is no soup. My future depends on how much aid you can give us. At the same time you have to guarantee me that things are not as bad in your country as the AFL-CIO say they are."

"I assure you, Mikhail, that we will take care of all our domestic problems," Bush responded.

"I don't like what I read about your drug problems."

"You have nothing to worry about. We have a drug czar to solve the drug problem," answered Bush.

"Why did you have to name him a czar? Why not a king, or a sheikh, or an emir?"

Bush put his arm around Gorbachev's shoulder. "My friend, you need money to get your country on its feet. We have a saying in America: Don't look a gift horse in the mouth."

Gorbachev said, "I don't want horses. We need tractors and seed and blue blazers to go to a Communist dance on Saturday night. How can you supply us with items we are dying for when you don't have your house in order?"

"We'll give you anything you want, as long as you don't call it quotas," Bush assured him.

□

Gorbachev said, "Will you guarantee I can stay in power?"

"I will do better than that. I will personally have Dan Quayle speak at a political fund-raiser in your honor," Bush volunteered.

Responded Gorbachev, "You're too good to me."

Bush said, "I have reason. You're the only Russian I ever liked."

## Yale Review Is Revived After Many Protests

*New York Times Service*

NEW YORK — In the wake of bitter protests, Yale University has reversed a decision to close The Yale Review, the school's venerable literary quarterly. The president of Yale, Benno C. Schmidt Jr., announced that money had been found to revive it. He named J. D. McClatchy, a prize-winning poet, as its new editor.

McClatchy, the poetry editor for 10 years, said that a new issue of The Yale Review probably would not appear until spring because The Review needed to hire a staff and solicit suitable contributions.

# The Red Shoes: A Tough 'Gal' And Irony Too

By Caryn James
*New York Times Service*

NEW YORK — The private investigator V. I. Warshawski has a pair of ruby slippers. They are beaded, sexy, red high heels Dorothy would never have dreamed of.

And well beneath the movie's ho-hum plot, those shoes represent what "V. I. Warshawski" is all about. After a hard day of hunting down the scum of Chicago, V. I. puts on the red shoes, sticks out her leg and accidentally-on-purpose trips a handsome man in a bar. It's not magic, but it works.

In a wry and likable performance as the woman called Vic, Kathleen Turner's one miscalculation comes in this early scene. She doesn't toss in quite enough irony, especially when she says the right shade of lipstick and great shoes can make "a gal" feel anything is possible.

Even so, it's clear that the tough but feminine V. I. has it both ways. She gets to keep her shoes and her irony too, as the film blithely uses female stereotypes to unsettle stereotypes of women.

It is a carefully calibrated balancing act whose mechanics are so obvious that "Warshawski" might serve as a guidebook: How to Create a Strong Female Character Without Offending Anyone. Each of V. I.'s powerful, traditionally unfeminine traits is offset by a softer, more conventionally feminine one. Punched in the face, she tells the thug who did it, "You know how hard it is to get blood out of cashmere?"

She has a sometime boyfriend — no strings and no loneliness. "Murray says I'm too independent," she tells a friend. But the unfaithful Murray keeps coming back, while independence evidently allows V. I. to flourish.

Vic absorbs the sexy feminine stereotypes and tosses out the dull domestic ones. This is pure escapism, but it stays in touch with the images people want to escape from and the ones they fear letting go.

Like "Pretty Woman," "Warshawski" creates a fantasy woman in an ugly job and lets her come out not only smelling and looking like a rose but also seeming to empower women. On the most literal level, this doesn't add up.

But "Warshawski" is one of those movies that asks you to leave your literal-mindedness and some of your common sense behind.

Sure, V. I. picks up a man in a bar, but she won't go beyond a kiss on the first date. She only walked into the place to chat with her girlfriend the bartender, who happened to be holding the red shoes for just such an emergency.

She's upset, she tells her friend, because she had discovered Murray in bed with a redhead, so she's drinking to "Good-bye, Murray" again. All the extenuating circumstances say that Vic is a tough woman with a good girl's heart.

Most telling of all, the plot puts her in charge of a pretty, feisty girl named Kat. The girl's father was the man who had tripped on those red shoes, kissed Vic and almost instantly been murdered. (No connection, of course.)

One of Kat's most important functions in the movie is to add maternal softness to Vic's character, even if it's the kind of mothering that means ordering in pizza instead of baking cookies. Because the fearless little girl is a sort of junior V. I., she is the perfect student for Vic's philosophy.

"Never underestimate a man's ability to underestimate a woman," she tells Kat after she has posed as an empty-headed Southern belle to wheedle information out of a wimpy bank clerk. Vic could be an old-fashioned femme fatale if she wanted to, this scene suggests, but she has better things to do with her brains and her acting ability.

If her brain tells her it's smart to act like Scarlett O'Hara for once, that says more about society than about V. I., who appropriates the stereotype and makes fun of it at the same time.

Though the film never lets the audience forget that Vic is a woman in a man's world, Turner is so comfortable in the role that the effect is one of casual acceptance of this tough-but-feminine character.

Her performance carries the film, for V. I. is far more appealing and successfully drawn than the movie she's in. The film is just a vehicle, too much like the functional but battered car the heroine drives.

Widely reported to be the beginning of a series, the film has the manner of setting up characters you'll see later. It tosses in characters from Sara Paretsky's six Warshawski novels. Bobby Mallory (Charles Durning), an old friend and police department colleague of V. I.'s father, and Lotty (Anne Pitoniak), her older friend the doctor, drop by like previews of coming attractions.

The murder plot is too simple, too free of red herrings. And this is a kind of script in which a killer stops in midmurder to announce his intention to V. I.

But if "V. I. Warshawski" doesn't pull off its feminine-but-tough act quite as breezily as "Nikita," or with as much feel for the heroine's dangerous profession, at least the film is less pretentious than its overhyped, over-analyzed sister, "Thelma and Louise."

None of these films depends much on realism, but it's easier to believe in Vic's sharp tongue and red high heels than in Thelma and Louise blowing up an oil truck.

The heroes and villains aren't drawn along lines of gender in "Warshawski," where women can be just as treacherous and awful as men. That's a relief. It means men and women aren't adversaries.

Men won't have to walk out of "Warshawski" feeling attacked. And women can walk out feeling that it's perfectly possible, that it might even be a good idea, to be smart-mouthed and self-sufficient.

The better men won't hate you for it, and you won't have to drive off a cliff at the end. This may be a fantasy, but as movie fantasies go it's a more effective, bracing, appealing fantasy than most.

Dean Williams/Hollywood Pictures

Kathleen Turner as V. I. Warshawski, tough but feminine.

## PEOPLE

# An Unforgotten Angel

Jaclyn Smith, a former star of "Charlie's Angels" hasn't had a television series since "Christine Cromwell" in 1989, but she topped TV Guide's poll for the most beautiful woman on U.S. television. Smith, who appears in commercials and will be seen next season in the television movie "The Tangled Web," outpolled Candice Bergen of "Murphy Brown." In third place was Vanna White, who turns the letters on "Wheel of Fortune," followed by Joan Lunden of "Good Morning America" and Phylicia Rashad of "The Cosby Show."

□

President Mikhail Gorbachev is on vacation in the Crimea, Tass reported. Gorbachev, who usually spends August on the shores of the Black Sea, is expected to break his vacation briefly to return to Moscow for the signing on Aug. 20 by the Soviet Union and Kazakhstan of the new Treaty of Union, regulating relations between the central government and the constituent republics.

□

Queen Beatrix of the Netherlands returned Monday from her summer home in northern Italy with a broken leg in a cast, the government said. Beatrix, 53, tripped while walking at her summer residence in the Alps.

□

Yoko Ono says her relationship with the surviving members of the Beatles has improved since the group's breakup to the point that she considers them friends. In an interview published in The Knoxville (Tennessee) News-Sentinel, she said her relationship with and marriage to the late John Lennon created jealousy among the other members, Paul McCartney, George Harrison and Ringo Starr. She was blamed for the band's breakup, but she said the pain of the split went both ways. "They hurt us and we hurt them," she said. Of the three surviving Beatles, she said, "Sometimes they are friendly, sometimes they are not; sometimes one of them is friendly and sometimes one of them is not — like all relationships with friends."

□

The first woman president of Ireland, Mary Robinson, will spend a day in Boston and meet informally with Irish immigrants in October during her first official U.S. tour. The human rights lawyer also is to receive an honorary degree from Brown University in Rhode Island and visit Los Angeles, San Francisco and Chicago during her 10-day visit. Robinson, who was elected president in November, studied at Harvard Law School in the late 1960s.

□

The latest in pop ideology, touted by Tom Hayden, the ex-husband of Jane Fonda, is environmentalism with a dose of old-time religion. That's the topic of a college course to be taught this fall by Hayden, a Democratic assemblyman and environmental activist, at Santa Monica College in California. Hayden decided to teach the course after returning from a winter trip to an Amazon rain forest. His view is that since government and environmentalists haven't succeeded in protecting the Earth, people may need to call on a higher power.

□

Don Ameche has wrapped up filming a new comedy, "Folks," just in time to see a tribute to his 58 years in front of a camera. A retrospective in Los Angeles includes excerpts from 10 Ameche films, including two of his more recent efforts, "Cocoon" of 1985 and "Trading Places," 1983. Ameche, 83, said he's glad the tribute begins with his favorite film, "Heaven Can Wait," released in 1943. Ameche said the director, Ernst Lubitsch, called the cast together the first day of shooting and told them he and the writer, Samson Raphaelson, had spent nearly two years perfecting the script. "Please don't change a word," Lubitsch told them. "All I had to do was learn my lines every morning and go to work," Ameche said. "I never had to worry about what I was going to do with them. I knew I was in perfect hands."

□

The director Randa Haines and the actor William Hurt have teamed up again after five years to make a second film. Haines and Hurt fought often during the making of "Children of a Lesser God," which became in 1987 the first movie directed by a woman to be nominated for an Oscar as best picture. The new film, "The Doctor," is based on the true story of Dr. Edward Rosenbaum of Oregon who developed cancer of the larynx at the age of 70.


## PERSONALS

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## ANNOUNCEMENTS

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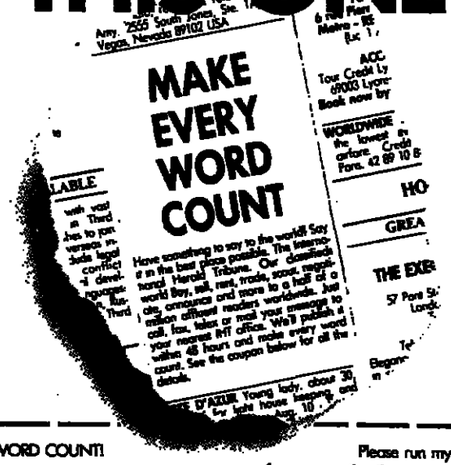


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